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CORRESPONDENCE

RESPECTING

ISRAEL

PART 1

January to December 1949

(Continued from "Further Correspondence respecting Palestine and Trans-Jordan", Part 2.)

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CORRESPONDENCE RESPECTING

ISRAEL—PART 1

J 293/1055/16G

No. 1

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE EGYPTIAN AMBASSADOR

Situation in Palestine and the Middle East

Mr. Bevin to Sir R. Campbell (Cairo)

(No. 36)
Sir,

*Foreign Office,
11th January, 1949.*

I asked the Egyptian Ambassador to call this morning for a talk on the Palestine situation in the light of the Egyptian decision to open armistice talks with the Israeli authorities in Rhodes.

2. I first of all told Amr Pasha that I was not myself quite clear exactly what the Egyptian attitude was in regard to these talks and what was the precise meaning of the conditions attached to the Egyptian decision to participate in them. The Ambassador said that, as he understood the position, his Government were only ready to pursue the conversations provided the Jews were ready to accept and act upon the Security Council resolutions of 4th November, 16th November and 29th December. He himself was doubtful whether the Jews would, in fact, comply and was anxious lest there should be further Jewish aggression later on.

3. I then told the Ambassador that the question of our supplying arms to Egypt had again been raised with our representative in Cairo, but, so far as I could see, the Egyptian Government were not invoking the treaty and were asking us to give them arms, as it were, "under the counter." I had no wish to make difficulties for the Egyptians or to attempt to profit from their present embarrassment, but I could not take action which I was not in a position to defend in Parliament and before public opinion. The Ambassador said that as he understood the position the Egyptian Prime Minister saw no objection to our stating that any action we were taking was under the terms of the treaty. The Egyptian Government would neither denounce nor deny any such statement. For historical reasons and in view of their present difficulties, and further, in view of

the possibility that the Wafd might shortly be in the Government, it was difficult, if not impossible, for the Egyptians themselves formally to invoke the treaty.

4. I then told the Ambassador that there was a further problem before we could reach a decision on the Egyptian request. We must have an honest military appreciation of the arms supplies wanted. We already had demands upon us in connexion with Western Europe, we also had commitments to India, Pakistan, Burma, &c., and our supplies were not inexhaustible. We understood that the Arab shortages were in respect of certain categories and not necessarily regarding the overall quantity of munitions. The Ambassador told me that he understood a list of Egyptian requirements, which was mainly concerned with aircraft and air accessories, had been given to General Crocker through the Egyptian Liaison Officer, who he understood enjoyed our full confidence and that of the Egyptian Government. It was finally agreed between us that Amr Pasha would speak on the telephone to the Egyptian Minister of War, Haidar Pasha, and see that we had the full and exact appreciation we required. I told Amr Pasha that I would consult my colleagues again in the light of his explanation and see what, if anything, could be done. Amr Pasha said that would be a great help.

5. I then asked Amr Pasha whether the Wafd had yet agreed to come into the Government. He said that they had made certain conditions but great progress had been made and he had just heard from the Palace that the door was still open.

6. I then discussed the general military situation with the Ambassador, asking him whether Egyptian losses had been heavy. He said he had no particulars but that he

could tell me that the morale of the Egyptian troops had proved very good and their resistance in the Falluja pocket had been very stubborn. Among the Jewish prisoners they had taken there were many nationals of Eastern European countries under Soviet influence. The Ambassador confirmed my impression that the Egyptian Government had not publicly admitted to Israeli incursion into Egyptian territory. He explained, however, that, with the great Soviet propaganda pressure in Cairo and the various internal strains and stresses, the Government had to consider their internal security problem. However, the Israeli authorities had themselves publicly admitted the incursion. So there would not be any doubt about it in public opinion.

7. I then asked the Ambassador whether he thought the Arab countries would be able to get together and forget their differences when it came to discussing the eventual peace arrangements with the Conciliation Commission and so avoid being dealt with one by one. The Ambassador thought that this should be possible once the Palestine question was disposed of and provided the lines of a common policy could be laid down. There was no desire on the part of Egypt for territorial expansion or domination.

8. I explained to the Ambassador the difficulties in which His Majesty's Government found themselves owing to American reluctance to face up to the realities of the situation and to our ties with the United States on the one hand and with the Arab countries on the other. Amr Pasha, how-

ever, expressed his confidence that things would turn out better in the future and prove the correctness of the policy which His Majesty's Government had been following. He said that all responsible Arab leaders in the Middle East recognised that only the policy of His Majesty's Government had prevented chaos in the Middle East. The present position might not be what we all desired, but it might well have been infinitely worse.

9. In conclusion, I explained to the Ambassador that it was most important for us to be kept fully informed of Egyptian policy and intentions in regard to the Palestine question. In particular we should like to be kept informed of the progress of the talks in Rhodes. Amr Pasha undertook to pass this request on to his Government and ensure, so far as he was concerned, that we were kept informed of all important developments. After he had left me the Ambassador mentioned in this connexion to a member of my staff that his Government had consulted their representative in New York on the advisability of raising in the Security Council now the issue of lifting the arms embargo. The Egyptian representative had advised, however, that the time was not yet ripe for this.

10. Copies of this despatch have been sent to His Majesty's representatives at Bagdad, Beirut, Damascus, Jedda, Amman and B.M.E.O.

I am, &c.

ERNEST BEVIN.

E 592/1017/31G

No. 2

CONVERSATION BETWEEN THE SECRETARY OF STATE AND THE TURKISH AMBASSADOR

Policy of His Majesty's Government towards Palestine

Mr. Bevin to Sir D. Kelly (Angora)

(No. 7.)
Sir,

Foreign Office,
11th January, 1949.

The Turkish Ambassador called on me this morning, at his request, before returning to Angora on leave. It soon emerged that the only subject he wished to discuss was Palestine, and he asked whether I could give him a general idea of our views so that he might be fully informed when he saw his Minister for Foreign Affairs.

2. I took the Ambassador through the developments of the past few months, explaining our efforts to reach agreement with the Americans and to secure decisions in the Security Council which would provide for a State of Israel in which the Arabs might acquiesce. I further explained our present attitude and set out the general lines which I hoped that the Conciliation Commission, of which I was

glad that Turkey was a member, would follow, emphasising the need for urgent action. I spoke to the Ambassador on the lines of the instructions already sent to you for your conversations with the Turkish Minister for Foreign Affairs and with the Turkish representative on the Conciliation Commission.

3. The Ambassador especially asked for an indication of points on which there might be divergence of views between the Americans and ourselves. He was informed that His Majesty's Government and the United States Government were agreed that there should be an international régime for Jerusalem, that Haifa should be a free port under Jewish sovereignty, that the Jews should retain the whole of Galilee and Jaffa, and that the Arab portions of Palestine should be incorporated mainly in Transjordan, but perhaps partially in Egypt. His Majesty's Government were opposed to a Jewish corridor between Israel and Jerusalem. The United States Government had expressed no definite views to us on this point. As regards the Negeb, His Majesty's Government consider it important that the greater portion of the

Negeb should be in Arab hands. While the essential requirement was that the Arab portion should include the Auja-Asluj-Beersheba road, we were most anxious that the Gaza-Beersheba road should also remain in Arab hands. The latter would, in any case, give the Jews territory containing the greater portion of the Jewish settlements in the Negeb. The Americans, in any case, agree with us that Egypt should receive the coastal strip from Gaza southwards. The Jews might obtain a portion of the strip northwards from Majdal.

4. The Ambassador said that he thought that our view was thoroughly reasonable, and that his Government share our views about the Negeb and appreciate the strategic importance of leaving in Arab hands the lines of communication between Egypt and Transjordan through the Negeb.

5. I am sending copies of this despatch to His Majesty's representatives at Washington, Paris, Cairo, Amman, Beirut, Damascus, Bagdad, Jedda, Jerusalem and to the B.M.E.O., Cairo.

I am, &c.

ERNEST BEVIN.

No. 3

POLICY OF HIS MAJESTY'S GOVERNMENT IN PALESTINE AND THE MIDDLE EAST

Extract from House of Commons Debates, 26th January, 1949

The Secretary of State for Foreign Affairs (Mr. Ernest Bevin): At the outset I should like to thank the House for not pressing for a debate on this subject last week. As I then said, His Majesty's Government welcome the opportunity to state again the policy they are pursuing, not only in regard to Palestine, but to the whole of the Middle East area. Some of those who have asked for this debate, I understand, wish to question the policy of His Majesty's Government in the whole of the Middle East since we took office. In this debate, therefore, I am unable to confine the matter within the narrow limits of the conflict which is going on at the moment in Palestine, but rather must take the subject on the wider basis.

The United Kingdom has interests, obligations and responsibilities in maintaining security and stability in the Middle East, and it is the deliberate pur-

pose of our policy to be faithful to those obligations. In dealing with this problem we have steadily supported all the resolutions of the Security Council as regards both sides in the Palestine dispute. From that policy His Majesty's Government are not going to be deterred an inch. I am sure that we shall have the support of all those with real experience of these problems, and with knowledge of what is at stake in the Middle East, in carrying out this purpose.

From 1919 to 1945 there has been within successive United Kingdom Governments a conflict of policy, and, as far as I can trace it, there was never unanimity about how to deal with the problems of the Middle East, and especially with Palestine. As a result of the break-up of the Turkish Empire, several independent Arab States were formed; but in Palestine the policy was to create, in fact,

a bi-national State. It seems to me that during all that period this country has been trying to ride two very difficult horses at once, and we have always been balancing ourselves only with very great difficulty.

Speeches have been made in all parties pledging support to one or other solution of the Palestine problem, now to the Jews and now to the Arabs.

Most of the proposals made were incompatible with our obligations under the Mandate and were not realisable in practice. I have always been willing and eager to take note of and to consider any constructive proposals put forward, in this House or elsewhere, for trying to grapple with this problem. I have also been confronted with attacks, untruths, half-truths and abuse, reflecting not only on me personally, but on the British people who have done so much for the Middle East and for Palestine. Some of these things I must deal with to-day, although I have tried to keep mainly to a factual account, in the hope that this debate may still contribute to a final settlement and to understanding between these two Semitic peoples.

For a long time the United States and ourselves have seen eye to eye on a basic Middle East policy of increasing the economic well-being and sense of security in the Middle East. The fact that we and the Americans have similar interests and objectives in this vital area is a matter of very great importance. The further fact that we have from time to time differed on the best means of achieving peace and a lasting settlement over Palestine in no way affects our basic aims. There has been the danger that the Middle East might become a second Balkan area torn by internal dissensions, and the scene of international rivalry. We, for our part, are determined to do all in our power to prevent this from happening, and in this endeavour we work in close co-operation with the United States. While it was made in a wider context, I want to take this opportunity in this House of welcoming the important declaration of President Truman in his inauguration speech in favour of a bold new programme for assisting other countries in economic and social developments. I welcome it as a courageous aim to which we for our part are determined to make the greatest possible contribution.

The importance of the problem covering this vital area of the Middle East was such that immediately I took office I called into conference all our representatives throughout the area both to discuss Britain's position there as it resulted from the war and to consider what contribution we should make to the stability of that area. That was in 1945. After examination of the problems, we realised that, apart from the political issues, action must also be taken in the economic field. Great work had been done, but somehow we had not reached the hearts and minds of the common people, nor had many of the benefits which had flowed to that area achieved the purpose of raising the standard of life and improving the health of the people as we should have liked. In fact, a few people had become very rich but the masses had not.

Many schemes were therefore discussed, including large-scale plans for irrigation and flood control in Iraq. There was also the desire of the Persian Government to meet the new demands of their people for a higher standard of life, which has now resulted in a great seven-year development plan. In this work we have been asked to provide experts in the Middle East. We provided every person we could possibly obtain to help and I am glad to say that we are beginning now to see definite development. I am not claiming for a moment that we started all this; it was disturbed by the war and had to be got going again.

It is very difficult to get the experts for all the projects we have before us from time to time but we did all we could to find as many as possible for that area. I followed this up by personally discussing it very fully at a later stage with Mr. Marshall. I felt that we ought to create a pool of consultants and that we ought to try to join together in the development of the area and seek United States aid. He saw the importance of it, and a good many views have been exchanged since. I am now hoping that, as a result of President Truman's declaration, there will be further progress with United States encouragement and help, not only in this area but in many other projects of development in which we shall be mutually interested.

The Middle East is buttressed on the north by Turkey and Greece, and I must say a word about what has been done there. Turkey was one of the first countries

subjected to a war of nerves, and Greece has had to suffer a civil war fostered from outside. We felt that all this affected the security and stability of the Eastern Mediterranean and the Middle East itself. After her war efforts, Britain could no longer carry the burden alone, and we therefore welcomed President Truman's famous declaration about the security and economic well-being of both Turkey and Greece. The aid and support which the United States and we ourselves have been able to give to Turkey and Greece have been an important contribution to the stability and security of the whole area. I am glad to say that the United States have also shown their interest in the maintenance of stable conditions in Persia and in assisting the economic development of that country. We have very great interests in Persia, and, with the full encouragement of His Majesty's Government, the Anglo-Iranian Company have made a big and increasing contribution to the economic and social progress of that area.

The Middle East area includes, of course, Afghanistan, and now stretches to Pakistan, which has emerged to full independence as a great Moslem Power. As a great Moslem Power, Pakistan takes a vital interest in what is happening in the Middle East, and I would emphasise that it would be foolish to overlook the importance of the position she will occupy in the future in the politics and development in that area. The recent Asian Conference in New Delhi is a phenomenon which it would be very unwise for this country to ignore. We believe that we can maintain friendly association with the people of Asia but we must recognise that Asia as represented at the New Delhi Conference ranges from Burma to Turkey and Egypt. This conference represents the calling together for the first time of countries which I believe will play a very big part as a cohesive power in the years to come, both in the United Nations and elsewhere.

This group of countries looks west to the Arab lands as well as east to Indonesia, and I ask the House to pause and reflect on the significance of these new developments. Our vital interests spread through the whole of that area, and we have to remember this when we are considering the whole problem of our relations. There is also a keen interest in Palestine among the many millions of Arabs in North Africa. The problem closely affects France, our partner in Western Union, who shares our own

special concern over the future of Jerusalem and the Holy Places. It is against this background that this country has had, and still has, to deal with the Palestine problem.

I should like now to turn to the Jewish problem itself. I think everyone in this country has understood the national and religious aspirations of the Jews, and over a long period no country has shown in a more practical form its sympathy in their efforts to achieve a better future. As I said in the House in November 1945, the Jewish problem is a great human one. The Jewish people have suffered such terrible persecution for so long. We in Britain have done much to improve their lot. There has never been in this country the anti-Semitism which we have unfortunately seen elsewhere, and I hope there never will be. However, it has been said that His Majesty's Government muddled the waters and that they have not handled the Palestine problem with dignity and consistency. I am often told that I have not sufficient dignity. I always console myself that what I lack in that field I make up in weight.

The Government did not create the Palestine problem. I do not want to arouse controversy, but ever since I have had anything to do with it I have been conscious of one fundamental fact, that the Balfour Declaration promised the same thing to two peoples. If partition is difficult now it is because the statesmen in those days did not face the problem fearlessly, resolutely and finally. If they desired a National State for the Jews and not, as they said, a National Home, I cannot understand why they did not carve out a piece of territory and then say, "This is Jewish and that is Arab." They were dealing at that time with a fluid situation and it was no service to posterity to take refuge in contradictory statements to Arabs and Jews, leaving this problem to go on for thirty-two years under successive Governments and never bringing it to a final issue.

The right hon. Gentleman the Member for Woodford (Mr. Churchill) was Colonial Secretary in 1922 and I admire his extraordinary ingenuity, but can he deny that he, too, was faced with the problem to which there was no real solution? In his memorandum in 1922 entitled, "British Policy in Palestine," which was officially communicated in the name of His Majesty's Government in June of that year

to both the Zionist organisations and to a Palestine Arab delegation then in London, it was stated:—

"It is essential to ensure that the immigrants should not be a burden upon the people of Palestine as a whole and they should not deprive any section of the present population of their employment."

I think he, too, is responsible for the rather undefined formula "of economic absorptive capacity." It is a commentary on this statement that to-day—

Mr. Churchill (Woodford): "Up to the limits of economic absorptive capacity."

Mr. Bevin: I accept the right hon. Gentleman's correction.

Mr. Churchill: "Up to the limits" is an important part of the phrase.

Mr. Bevin: It is an important commentary on this statement that over half a million Arabs have been turned by the Jewish immigrants into homeless refugees without employment or resources.

Mr. Churchill: Those half a million Arabs came in during the period of the twenty-five years of British administration, and were an addition to the Arab population, getting employment under the conditions we created.

Mr. Bevin: I am adhering to my statement. Throughout the 'thirties successive Governments tried and failed to solve the Palestine problem. I am only dealing with the point that the criticism of this Government is that we have been unable to settle in three and a half years what everybody has been trying to solve by a succession of commissions and White Papers. It was made immensely more difficult by the Hitler persecution in Germany and increased pressure for Jewish immigration into Palestine. In 1939 another White Paper was issued which, although often attacked, did at least hold the position just before and during the war. This White Paper looked towards the establishment of an independent Palestine within ten years, the Jewish element in the population having been brought up to approximately one-third of the total.

The proposal to push on towards independence was undoubtedly sound, but the Second World War and the increased

persecution of the Jews in Europe by the Nazi authorities created a new situation almost overnight. At the end of the war the pressure on Jewish immigration was greater than it had ever been, and the Government of Palestine were forced to take costly and unwelcome measures to control it. Jewish immigration was allowed to continue after the limit laid down by the 1939 White Paper, which was 70,000, was passed. I repeat that the professed aim of the Balfour Declaration was the establishment of a National Home, and when my right hon. friend the Secretary of State for the Colonies and I came to deal with this problem we were faced not with a demand for a National Home but for a Jewish State.

Mr. Gallacher (Fife, West): What is the difference?

Mr. Bevin: The hon. Gentleman has got a home in Scotland, but he does not own all of it.

Mr. Churchill: His spiritual home is in Moscow.

Mr. Bevin: This development made a more intense conflict with the Arabs inevitable. It also meant we would have to do a thing not contemplated by the Balfour Declaration nor by the League of Nations. It has been suggested that His Majesty's Government have been opposed to the establishment by the Jews of their own State of Israel in fulfilment of centuries of national and religious aspirations. Our original objective, which has been the objective of other Governments since 1917, was to persuade Jews and Arabs to live together in one State as the Mandate charged us to do. We failed in this. The State of Israel is now a fact, and we have not tried to undo it.

At the same time the tide of Arab nationalism has been running high, and this has not been merely representative of Effendis or wealthy people. I can assure the House that this intensity of feeling on the part of the Arabs at the moment has bitten deep into the ordinary young Arab people, and it will produce a very serious situation unless handled with great care. At the same time it has been extremely difficult to get the Arab States to agree among themselves. There have been quarrels in which the Syrians, the Lebanese and the Iraqis have been involved. That is the situation we found ourselves in up to

the point when we tried to grapple with this problem.

Let me, therefore, just say one or two words about Israel's neighbours, the Arabs. I think they have a case which has got to be considered. I do not think they can just be dismissed because of what has taken place. They have to be taken into account. The Arabs, like the Jews, are a proud people with a long history and great traditions. They have long been friends of this country. Many of them fought with us in the 1914-18 war. Even when the United States and Russia were neutral and we were facing the Nazis and the Fascists alone, at least King Abdullah and the Senussi fought with us loyally.

Mr. Churchill: So did the Jews.

Mr. Bevin: I have just dealt with the Jews. Let me say a word for the Arabs on their own. After all, this is my speech.

It was in Arab countries that the Eighth Army was based and equipped, and without the help the Arabs freely gave us I doubt whether the North African campaign could have been fought and won in spite of all that might be said about them. We depended on them for communications and for many resources. If we had lost the Suez Canal we might have lost the war. I do not think that it is in the tradition of the British army to forget their friends, and I am certainly not the Foreign Secretary who is going to make a start in that direction.

The Arabs feel as profoundly as the Jews that in the problem of Palestine right is on their side. They consider that for the Arab population, which has been occupying Palestine for more than twenty centuries, to be turned out of their lands and homes to make way for another race is a profound injustice. We understand how this strikes the Arabs—all the Arab people, not only their Governments—and we should consider how the British people would have reacted if a similar demand had been made on us. Suppose we had been asked to give up a slice of Scotland, Wales or Cornwall to another race, and that the present inhabitants had been compelled to make way. I think there might have been trouble in this House, and possibly outside. We cannot handle these problems unless we put ourselves in the other fellow's place and just see how he looks at the world.

The Arabs believe that for what they regard as a new and an alien State to be carved out of Arab land by a foreign force, against the wishes and over the protests of the inhabitants, is a profound injustice. The Arabs believe that it is contrary to the right of self-determination and to the principles of the United Nations. I am giving the House and the country their arguments, because there is so much propaganda on the other side and I think it is sometimes forgotten that the Arabs are in the world. They point to the fact that since Britain gave up the Mandate—and I repeat the figure I gave just now—500,000 Arabs have been driven from their homes. In Jaffa, which was an Arab town of 70,000, allotted to the Arabs by the Assembly Resolution of 1947, there are now, so I am informed, only 5,000 Arabs.

Mr. Sydney Silverman (Nelson and Colne): I apologise for interrupting, especially at this point, but I do hope that my right hon. friend will not continue to lend the weight of his authority to the suggestion that it was the Israeli Government or the Israelis who drove anybody out. I am sure my right hon. friend knows perfectly well that, so far from driving anybody away, they did their utmost to persuade them to stay, that those who did stay were very well treated and that it was my right hon. friend's agents on the spot who did more than anybody else to persuade the Arabs to leave.

Mr. Bevin: I am thankful for the assistance I am getting from all sides in this business. The fact is that 500,000 Arabs are gone; they are refugees; and I do not think they walked out voluntarily. I really do not think that it is any good either side being touchy. I am trying to make a balanced speech, and when I get through it will be found that I have done so. However, I cannot accept the position that when anybody mentions the Arabs he is—[*Interruption*—well, I will leave it at that; I will not use the phrase I was about to use.

Do let us be fair and just. If we proceed on those lines, then I think that in the end we shall get a solution. But I must state the facts, and the fact is that there are over 500,000 Arab refugees, and the marvel to me is that the conscience of the world has been so little stirred over that tragedy. I hope that there will be a greater response to the appeal for funds that is being made for these people. Up to now

the money that has been poured out to help them has come mainly from His Majesty's Government alone. I do not think there should be any belittlement of that. I hate the refugee problem; I think that the driving of poor innocent people from their homes, whether it is in Germany by Hitler, or by anybody else, and making the ordinary working people of the place suffer, is a crime, and we really ought to join together to stop it if we can. Let those who want to quarrel, quarrel; but why visit spite and hate on ordinary people who are doing nothing but earn their living?

The tragic problem of Palestine is to find some solution for these conflicting points of view without the Middle East sinking into chaos in the process. I should perhaps explain to the House that the Coalition Government did discuss this problem and came to a view that partition might be the only practical solution of the Palestine problem; but this could be done only by force. Was this country at the end of the war justified in using and being ready to use British troops for this purpose? If, on the other hand, we had decided on partition at that moment and walked out of Palestine there would have been the same situation in 1945 as had faced the world in 1948. His Majesty's Government also had to take into account public feeling after the assassination of Lord Moyne; and the House knows of subsequent incidents of that kind. Feeling was running pretty high in this country at the way in which Britain was being treated in this matter. I trust that we have seen the end of all this, but I repeat that it has caused great anxiety and heartburnings, and I will not accentuate it.

No doubt I shall be asked: In view of the Coalition Government's approach to the problem why did we not push it through? Well, as I unfold this I think that some of the factors will become clear to the House. His Majesty's Government were at this stage faced with a problem which had never faced Governments before the war. The United States had long been interested in Palestine, but it was not until 1945 that American interests in Palestine and pledges made in America became one of the determining factors. I have to be very careful what I say here, or I shall be accused of disturbing relations with America; but in defence of His Majesty's Government I ask the House to realise that at this point the whole question of who should be elected to certain offices in the

United States turned on this problem, and the United Kingdom had very little latitude after that time. We had to consider the matter on an entirely different footing.

After consideration of the problem we proposed the establishment of an Anglo-American Commission. If I remember rightly, when this was announced to the House it was welcomed as a first step towards getting Britain and America into collaboration on the Palestine issue. That Commission reported but they did not recommend a Jewish State: they recommended a unitary State of Arabs and Jews. Their recommendations were largely on the same footing as His Majesty's Government's approach to the problem. We were ready to accept the recommendations as a whole but the United States would only accept one point, the immediate immigration of 100,000 Jews. But to flood the country with a large number of immigrants without financial and other arrangements having been worked out would have created for us very difficult problems indeed. I then tried to see whether we could take this report as a basis and see if a special committee could work on it to produce an agreed solution. They produced what was called the Grady-Brook Report, which really amplified in detail the Anglo-American Report and showed how it could be put into effect. But that was rejected, and so the problem went to the United Nations.

It has been suggested that His Majesty's Government first attempted to prove in New York that partition was impossible and that we obstructed the work of the Palestine Committee. Those statements have been dealt with in previous Debates and I do not want to go over them again. I am only making a statement on them now in view of the misrepresentations, not so much against me as against this House, the Government and the British people. It is totally untrue, as has been alleged, that His Majesty's Government attempted to prove in New York that partition was impossible, or that they obstructed the work of the Palestine Commission. On the contrary, His Majesty's Government did all in their power to help the commission with information, preparatory work and advice.

At the time we laid down the Mandate our policy had been directed to maintaining law and order and to handing over to the new authorities an orderly, going concern. It is my view, and I believe it will be the view of all parties in this House, that the

Governor-General, the High Commissioner and the staffs of the Palestine Administration did a magnificent job under very grave difficulties. I include the work of Sir Alan Burns at the offices of the International Organisation in Jerusalem. It was largely owing to their success in laying these foundations that Israel was able to create the machinery of a State as quickly as it did.

I want to give an answer to another assertion that has been made, with a good deal of looseness, I am afraid. It is equally and absolutely untrue that His Majesty's Government encouraged the Arab Governments or forces to attack Israel. In the Debate before the Recess it was suggested that I had selected the wrong people, backed the wrong horse, or some phrase like that, and was surprised that they did not win. I did nothing of the kind. I uttered every warning I could to Arab Governments not to indulge in this business, but feelings ran so high and the situation was so tense that I am afraid it would have been of little use doing other than what happened.

In the United Nations Assembly in the autumn of 1947 a plan for partition with economic union was worked out and adopted. This plan never came into force. His Majesty's Government did warn the United Nations at the time that whatever the merits or demerits of the plan might be on paper, it would lead to fighting unless the United Nations created some force of their own to put it into operation. I shall not recite the history of recent events except to say that when fighting began after the end of the Mandate it was His Majesty's Government who introduced into the Security Council the resolution for a truce which was adopted on 29th May. It was His Majesty's Government who proposed the appointment of a Mediator and urged that he be given full authority. When the first four weeks' truce broke down and the Arab Governments resumed fighting, it was His Majesty's Government who supported and voted for the Security Council resolution of 15th July calling for a cease-fire and providing for action under chapter VII of the Charter against either side which refused to comply.

In the first period of three months our effort was mainly to induce the Arabs to stop fighting. In the second period, from July 1948 until now, the effort has been to stop the Jews from fighting. On 14th October the Jews attacked Egyptian

forces in the Negeb in violation of the truce. At the end of October they attacked Lebanese forces in Galilee and occupied fifteen villages on the Lebanese side of the frontier. They refused to comply with the Security Council resolution of 4th November and with the orders of the Acting Mediator.

Meanwhile, Count Bernadotte, the United Nations Mediator, had stated that he considered the Assembly plans of November 1947 to be unworkable and he made alternative proposals. The United States Government considered Count Bernadotte's proposals, and on 21st September Mr. Marshall announced publicly in Paris that they had the approval of the United States Government in their entirety. I should like to emphasise that fact. I was shown the document in which the announcement was to be made that afternoon at 3 o'clock. I undertook to put it before the Cabinet and, if necessary, to put it before this House, which I did. I think I am entitled to take notice of a man of Mr. Marshall's status and position. When he tells me that that is the policy of the United States I am entitled to take that statement as a fact without questioning it at all.

Therefore, I reported that that was the position, and His Majesty's Government adopted it. I felt for the first time that we had a really agreed policy. Many hon. Members opposite have spent weary hours with maps considering the issues involved in partition. I thought that Count Bernadotte had put forward a more homogeneous plan. There were no enclaves and no corridors, and it gave the Arabs access to the sea. It also afforded communication between Egypt and Transjordan. I thought it was a clearer and cleaner arrangement than the plan of 1947. In this new plan the Arabs lost Jaffa and Western Galilee, which went to the Jews. In return for the Negeb the Jews had a more fertile area given to them. As this movement of Arabs had taken place we felt that this was a tidier proposal.

Having accepted that assurance and got His Majesty's Government to agree to it I reported it to the House. However, at the General Assembly later we were told that the United States could not support the original decision. It is no good crying over spilt milk; the situation has been altered from September. Again we went into discussion and again a new decision was arrived at and embodied

in the Resolution which went before the Assembly and which I understood was then agreed. That failed to get the necessary two-thirds majority and was superseded by a new proposal which holds the field to-day. It is that a Conciliation Commission should go to Palestine to take over the work of the Mediator and his powers and should promote negotiations and endeavour to get a settlement of the problem. The Conciliation Commission, as elected, consists of representatives of the United States, France and Turkey. That is the position as we left it at the Assembly.

Only eleven days after the appointment of the commission another attack was launched in the Negeb. It is rather significant that the United Nations Mediator, Dr. Bunche, who has done a very great work in this matter, could find no provocation at all for this attack. I want to put a point to the House. We are members of the United Nations and if the United Nations are ever going to do anything, or to succeed, I think some means must be created by which there is to be respect for the decisions of the Security Council. We should accept them whether they are for us, or against us. As a Government we have done many things we did not like in order to accept the decision and we think it is a pity that it was not accepted all round in this case, and that this infringement should not have been made.

It was over this that the real difficulty arose. In the course of their attack the Jewish forces penetrated 10 or 20 miles into Egyptian territory. Previous Jewish patrols had crossed the frontier at Transjordan and following the reports at that time, I began to wonder whether, in the exuberance of victory, things were not getting a little out of hand and when these things get out of hand one does not know where they are going, or where they may finish up. We kept in daily touch.

Another very serious matter was that United Nations observers were refused access to the Jewish side. I do not know what deduction was expected to be drawn from this by members of the United Nations. These observers were appointed by the United Nations and they were put off. It makes one wonder. We have to couple with that the fact that, apart from what has been said by the Government of Israel, a good deal of propaganda has been put out by the Revisionist Party claiming the whole of

Transjordan which suggests on the face of it the beginning of another aggressive mentality. I only hope that now negotiations have started the people of Palestine will see that they are brought to success.

These events had their repercussions in Arab countries and created problems of internal security. It may be asked, what has that to do with us? Internal security and stability of the Middle East is a very vital matter to this country because if this region is to be forced into chaos I think the whole of our strategic position, which was made perfectly clear, is in danger. Demonstrations and riots took place in Syria, Iraq and Egypt, and in Egypt the Prime Minister was assassinated. They always seem to select Prime Ministers; I am thankful it is not Foreign Secretaries. A lot of people wish that it was Foreign Secretaries, judging by some sections of the press which I have to watch now and again.

When those Governments fell and the Jewish incursion into Egypt took place, we took up the matter with the United States. The incursion into Transjordan and the situation which was developing in that vicinity caused King Abdullah to appeal to His Majesty's Government, under the Anglo-Transjordan Treaty, for British forces to be sent to Aqaba and also for arms that he might be in a position to defend himself if an attack was made on his forces. We agreed to send a force to Aqaba, but, in view of the United Nations arms embargo, we did not deliver arms to the Arab Legion. It is perfectly true that we put arms into Amman under our own control, but we have not issued any arms to the Arab Legion and we hope no necessity to do this will arise.

Mr. Warbey (Luton): Did not the Resolution of the Security Council of 29th May, to which my right hon. Friend referred, place an embargo on the introduction of military personnel into these States?

Mr. Bevin: It placed an embargo on all of us, but we were the only party to observe it. Arms were pouring into the other side and we had a treaty. We considered all these factors and felt that we would be attacked for not doing our duty if, knowing of what was pouring into the area from Czechoslovakia, we did nothing. Whatever might have been done to cast round for arms in different parts of the

world, it is another matter when Czechoslovakia, a member of the United Nations, deliberately sends arms in contravention of the Security Council's decision. While we would not deliver arms, we put in men in order to indicate to the world that we were going to be there if our treaty rights were challenged, or if there was a further attack.

Mr. Blackburn (King's Norton): As I have asked the question before, I would be most grateful if my right hon. friend could confirm this fact, which the parents of the deceased officer are very anxious about, that the Spitfires which shot down our fighters in Palestine were provided from Czechoslovakia.

Mr. Bevin: I do not want to be led into a discussion of that character. I am trying to give the reasons why we took our decision. The invasion of Egypt, the threat to Transjordan, made us feel that, unless action were taken, a serious situation might develop, which might have grave repercussions on the stability of the Middle East. I feel convinced that one of the principal factors in getting negotiations going seriously at Rhodes was the transfer of this force to Aqaba after months of provocation. I hope that, as a result, it will lead to a final settlement.

I want to make this clear: this area, as I have said, is very vital. In fact, to us, it is an area which has a tremendous importance, not only to the safety of the territory itself, both East and West, but to the safety and defence of Western Europe. If there is any danger, or when we see danger, we must react quickly. I must ask for the support of the whole House and the nation to this principle that if this area is endangered, we shall always react quickly. (An hon. member: "Which area?") The Canal Area and the Middle East Zone.

With regard to the making of the inquiries by the Royal Air Force, it was reported to us that the invasion of Egyptian territory had taken place. We took the question up with the United States. If we had accepted the information given to us without testing it that, I suppose, would have been regarded as a very wrong thing to do. Therefore, the Government decided that we would see, within Egyptian territory, what was really happening, and that we did. Had we stood by and done nothing and the thing had got out of hand, we should

have been accused for that. The Cabinet and the military authorities felt that the R.A.F. was the best means of getting the correct information. They had every right to fly over Egyptian territory and, in the light of the Security Council resolution, Jewish forces had no right to be there. They had no right to be fighting within many miles of that spot. We think the steps we took, both with the United States and by ourselves, helped to bring the thing to a head and to get negotiations going. Any Government with responsibility would have taken the same line.

I am glad to say that the United States Government reacted to this event as determinedly as we did. The President immediately intervened and made representations as emphatic as the action we took; and there was grave concern on the part of the United States Government as to what might have developed. Another thing which contributed, I think, to this trouble, was the delay in setting up the United Nations Commission which was appointed by the Assembly on 12th December and is only just establishing itself in Jerusalem. Frankly, I do not think the United Nations Organisation has come out of this thing too well. We have recently seen in the press that the Commission has only just established itself. In my view it should have been at work many weeks ago, gripping the problem and helping to produce a settlement. I have been constantly urging on all concerned the importance of this Conciliation Commission getting to work without delay and we have also been urging all contestants with whom we have any influence to respond and enter negotiations.

The only thing now, I think, that is likely to prevent a settlement if the commission gets to work promptly is if there is renewed fighting on either side. If it were to break out again not only would the hopes of an early settlement be extinguished but this Middle Eastern area might be put in danger. If fighting were to break out again, I am afraid it would be difficult to stand by indifferent or inactive. (An hon. member: "We have been inactive long enough.") I hope that the fighting has now ceased, that the truce has been fixed up and that the different fronts will be maintained. We shall do all we can to make the negotiations a success. It has to be remembered, however, that the talks at Rhodes are so far only between the Jews and the Egyptians. It is urgently

desirable that the scope of the negotiations and conciliation should be extended to bring in the other Arab Governments concerned. These negotiations will have to cover the unsettled question of an international régime for Jerusalem and the Holy Places, the future of the port of Haifa and the airfield at Lydda and the boundaries of Israel.

It is not for me to forecast what lines further talks may take but among other principles which might be applied is that to which reference was made by the United States representative at the General Assembly in Paris last autumn and which was recently endorsed by President Truman, namely, that if the Jews are to retain part or all of Galilee, Jaffa and other portions of Palestine which the Assembly resolution of 1947 recommended should be Arab, then the Jews should give the Arabs compensation elsewhere and so make the necessary adjustment. I understand that that is the policy of the United States Government. I feel that very little will be gained if a settlement is made which is so manifestly unacceptable to one of the parties that all the energies of that side are devoted for years to come to undoing it. A settlement is needed that will be a basis for peace and co-operation, not for irredentism and boycotts. As I have already said, there is the tragic plight of the Arab refugees, who must be allowed to return to their homes, or else some compensation and provision must be made for them.

Another point which has been concerning the House is the question of the recognition of Israel. This matter has been under our attention for a long time. The way this question was treated initially was a little unfortunate. I will not take the trouble to go into it in detail now. The United Nations made a decision. The next morning a State was declared. We had been working together on this problem of Israel with others but recognition was given without any notice. Indeed, recognition was given before the man on the United Nations delegation knew about it, and a peculiar situation was developing. There was a good deal of competition between two Great Powers in this business which I do not think was the right way to deal with it. Recognition by this country of another country is worth something, and we have not been in the habit of dealing with this matter in a lighthearted way. We want to know first what the country is,

what its frontiers are and what its status is presumed to be. Those States which accorded their recognition have not recognised the State of Israel, but the Government of Israel, without prejudice to frontiers, as did the French Government.

We have had a man in Haifa—(laughter). We have had a man in Jerusalem—(laughter). What is wrong with that? I should like to see the joke. We have had representatives there who have been in touch, and they have rendered great service. The question is whether or not we should have recognised the Government of Israel *de facto*. There are interesting views about this problem, and we have been in touch the whole time with others who in that matter have been in exactly the same position as ourselves. I know that the French Government, with 25 million Arabs, have been in great difficulty over this matter, just as we have, and we have felt that to plunge into recognition in the way suggested would not help us with the Arabs or contribute to a peace settlement. We were convinced that it was better to deal with it in the way we did.

The second point we must bear in mind before giving our recognition at the moment is that United Nations resolutions are being ignored—one cannot, I suggest, treat the thing quite so lightheartedly as that. We have therefore been considering when would be the appropriate moment to give *de facto* recognition. We had made up our minds that it should be at about the juncture which my hon. friend would have indicated when winding up the debate before the recess had he been given time. He said that we were not averse from considering this matter. We felt that when the negotiations for peace had started—and there was evidence of the end of the fighting on both sides—that was the time when we should bring this matter to a head.

If we had recognised the Government of Israel at any time before, it would have been misunderstood over a wide area in the Commonwealth. (An hon. member: "South Africa?"). Wait a minute. The Commonwealth includes not only Australia, New Zealand and Canada. There is South Africa. There are three other States. Have hon. members heard of India? India happens to be a part of the Commonwealth. So does Ceylon. So does Pakistan. They are important factors. I realise that the entry of Ceylon into the United Nations has been duly vetoed, but she is still an

independent State within the Commonwealth, she comes to her own conclusions, and has a particular point of view on these matters. The situation, therefore, is that South Africa and Canada have accorded recognition, as they have a right to do. Australia, New Zealand, India, Pakistan and Ceylon have not done so, and some of these Governments have had strong views, as shown in their speeches at the Assembly and in their actions.

Now that armistice talks are at last proceeding, His Majesty's Government have considered whether the time has come when *de facto* recognition might contribute to peace and a settlement. I am glad to say that the United States Government have indicated that they intend to recognise the Government of Transjordan, and this also is a material factor. His Majesty's Government have been in consultation with those Commonwealth Governments which have not yet recognised Israel about *de facto* recognition of the Israel Government, and we are in close consultation with them at this moment. We have also been in consultation with our Brussels Treaty Allies, and this matter will be discussed with the Foreign Ministers at the meeting in London to-morrow.

I should explain what I said a moment ago, that recognition would not prejudice the question of the boundaries between Israel and her neighbours, and any recog-

nition that might be given would be on that basis. I am sure that the House will join with me in expressing the hope that, if recognition is now accorded by His Majesty's Government and other Governments which have not yet done so, the Government of Israel will respond on their side by showing that they wish to make their contribution to a wise settlement and peaceful relations with their neighbours.

As far as His Majesty's Government are concerned, I wish to restate three main points. I am not now announcing *de facto* recognition until I have replies from those Commonwealth countries and the other countries I have named, but I am assuming that those replies will be in during the next few days when a final decision can be made. I would repeat that the security and stability of the Middle East are of vital importance to His Majesty's Government, and we intend to be faithful to our interests and obligations. Secondly, there must be peace and no more fighting. Thirdly, the settlement with Palestine should be on lines most likely to afford a hope of stability throughout the Middle East as a whole. On these aims I ask the support of the House. I wish to pledge the utmost endeavours of His Majesty's Government in the promotion of security and economic and social progress in an area which is vital to us and vital to world peace.

E 3240/1573/131

No. 4

ATTITUDE OF SOVIET SATELLITE STATES TOWARDS ISRAEL

A Conversation with the Israel Minister at Prague

Mr. Dixon to Mr. Bevin. (Received 12th March)

(No. 44)
Sir,

Prague,
8th March, 1949.

I have the honour, with reference to my despatch No. 27 of 14th February, to acquaint you with a further conversation which I have had with the Israeli Minister in Prague, Mr. Ehud Avriel-Uiberall, about the attitude of the satellite Governments towards Israel and Zionism.

2. Mr. Uiberall informed me that the hostility of the Communist-dominated countries towards Zionism was not uniform, thereby confirming the diagnosis contained in your telegram No. 102, Intel, of 23rd February. The country which gave

the Israelis most concern was Roumania, where, according to him, an acute situation was developing. I took the opportunity to speak to Mr. Uiberall in the sense of your Intel under reference, but I found that he was already well aware of what was going on. He told me incidentally that the indoctrination into Marxism-Leninism to which Jews selected for emigration from Roumania are subjected was applied by the Jews themselves and not by the Roumanian authorities. Mr. Uiberall made light of the effects of this indoctrination which, he said, was not of a serious character and had been thrown in for purposes of appeasing

the Roumanian authorities. He admitted, however, that forty known Communist agents had been included in a batch of about 600 emigrants who had recently left Roumania for Israel. The Israeli Government knew their identities and were not disturbed about their presence in the country.

3. In Mr. Uiberall's view the main reason why both the Soviet Government and the Communist satellite Governments were fundamentally opposed to Zionism was that they greatly disliked the existence in their countries of Zionist organisations, since these were bodies which took their instructions from outside and were not under complete Communist control. He agreed that the policy of the present Roumanian Government at all events was to eradicate Zionism and to force their Jewish nationals to become good Communists. The Jews of Eastern Europe, however, would never fit into a totalitarian scheme of things, more particularly because the totalitarian economic system was unsuited to their traditions and capacities.

4. Mr. Uiberall drew my attention to the fact, which has been pointed out from this and other posts in the Soviet orbit, that many of the men in command, whether openly or behind the scenes, are Jews. He said that the Israeli Government disliked this feature of the young Communist States since it fostered anti-Semitism, and hoped that it might be a passing phase. The Jews, he admitted, appeared to have some special capacity for contributing to revolutions but it was to be hoped that as the régimes in the young Communist States

became more stable; the Jewish element would be dropped in favour of teams composed of non-Jewish nationals. This, he pointed out, had happened in the Soviet Union.

5. So far as the Czechoslovak Government was concerned Mr. Uiberall did not anticipate any actively hostile measures against the Jewish community of some 30,000 persons. He told me that the Czechoslovak Government had been much embarrassed by the gaffe of the Minister of Health (Father Plojhar) in admitting in a speech last November that the Czechoslovak Government were sending arms to Israel. When Mr. Uiberall made a passing reference to "propaganda" against Israel in the British press about the supply by Czechoslovakia of arms to Israel, I retorted that the figures and facts in the statement made by the Foreign Office spokesman on 6th January were correct. He replied with a smile that this was not so: they were a considerable under-statement; how did we think that Israel could have won the war with the small number of arms and equipment suggested in the Foreign Office statement? In view of this indiscretion on Mr. Uiberall's part we can, I think, take it that the arms and equipment supplied by Czechoslovakia were considerably higher than we thought.

6. I am sending copies of this despatch to His Majesty's Representatives at Moscow, Bucharest, Budapest, Warsaw, Tel Aviv, British Middle East Office and Jerusalem.

I have, &c.

PIERSON DIXON.

E 3900/1022/131

No. 5

RECOGNITION OF ISRAEL

Consul-General Marriott to Mr. Bevin. (Received 24th March)

(No. 9. Saving)
(Telegraphic)

Haifa,
2nd March, 1949.

Following issued on 2nd March by
Ministry of Foreign Affairs:—

Countries which have to date recognised
Israel, 46

Country	Form of Recognition	Date
Argentina	de jure	16th February, 1949
Australia	de jure	28th January, 1949
Belgium	de facto	29th January, 1949
Bolivia	de jure	23rd February, 1949
Brazil	de jure	8th February, 1949

Country	Form of Recognition	Date
Bulgaria	de jure	26th November, 1948
Canada	de facto	26th December, 1948
Chile	de jure	29th January, 1949
China	de jure	1st March, 1949
Colombia	de jure	2nd February, 1949
Costa Rica	de jure	18th June, 1948
Cuba	de facto	14th January, 1949
Czechoslovakia	de jure	18th May, 1948
Denmark	de facto	3rd February, 1949
Dominica	de jure	26th December, 1948
El Salvador	de jure	16th September, 1948
Ecuador	de facto	3rd February, 1949
Finland	de jure	11th June, 1948

Countries which have to date recognised
Israel, 46--(continued)

Country	Form of Recognition	Date
France	de facto	24th January, 1949
Guatemala	de jure	15th May, 1948
Honduras	de jure	8th November, 1948
Hungary	de jure	1st June, 1948
Iceland	de facto	12th February, 1949
Ireland	de facto	12th February, 1949
Italy	de facto	8th February, 1949
Liberia	de jure	12th February, 1949
Luxembourg	de facto	29th January, 1949
Netherlands	de facto	29th January, 1949
New Zealand	de facto	29th January, 1949
Nicaragua	de jure	18th May, 1948
Norway	de facto	5th February, 1949
Panama	de jure	18th June, 1948
Paraguay	de jure	6th September, 1948

Country	Form of Recognition	Date
Peru	de jure	10th February, 1949
Poland	de jure	18th May, 1948
Roumania	de jure	11th June, 1948
San Marino	de jure	13th February, 1949
Sweden	de facto	16th February, 1949
Switzerland	de facto	28th January, 1949
Union of South Africa	de facto	24th May, 1948
Soviet Union	de jure	17th May, 1948
United Kingdom	de facto	29th January, 1949
United States	de facto	15th May, 1948
	de jure	31st January, 1949
Uruguay	de jure	19th May, 1948
Venezuela	de jure	26th June, 1948
Yugoslavia	de jure	19th May, 1948

E 4738/1892/131

No. 6

ISRAEL REPRESENTATION IN THE UNITED KINGDOM

Presentation of Credentials by Dr. Mordecai Eliash

Mr. Attlee to Consul-General Marriott (Haifa)

(No. 120)
Sir,

Foreign Office,
14th April, 1949.

Dr. Mordecai Eliash, the Israel Representative in the United Kingdom, called at the Foreign Office on 7th April and handed to the Parliamentary Under Secretary of State a letter of credentials from the Israel Government of which I enclose a copy. Mr. Mayhew expressed to him in the absence of the Foreign Secretary the welcome of His Majesty's Government to the first Representative of Israel to be appointed, and said that His Majesty's Government looked forward to friendly and fruitful relations with Israel and with Dr. Eliash personally.

2. Dr. Eliash replied in similar terms. He referred to the traditional feeling for Great Britain in Israel and he was confident that although the thread of friendly relations between the two countries had temporarily been broken it could be repaired and he hoped to contribute personally to this task.

3. Dr. Eliash said that it was generally hoped in Israel that Mr. Helm would be able to proceed to Tel Aviv in the very near future. Mr. Mayhew replied that His Majesty's Government were also most anxious that he should begin his mission as soon as possible. The only reason for delay hitherto was the difficulty in finding accommodation. Anything which Dr. Eliash could do to help towards securing suitable accommodation for Mr. Helm would be much appreciated.

4. Dr. Eliash referred to the prospect of an Israel delegation coming here in the near future for financial negotiations. He was informed that we are still trying to make sure whether our negotiators can be ready to start these talks at the time suggested by the Israel Government towards the end of this month.

5. I am sending copies of this despatch to His Majesty's Ambassador at Washington, to the British Middle East Office and to His Majesty's Consul-General at Jerusalem.

I am, &c.

C. R. ATTLEE.

Enclosure in No. 6

State of Israel
Ministry for Foreign Affairs
Hakirya,

Your Excellency, 3rd April, 1949.

In its desire to promote cordial relations between Israel and the United Kingdom, the Government of Israel has decided to accredit Dr. Mordecai Eliash as the Representative of Israel in the United Kingdom.

Knowing the eminent qualities which distinguish Dr. Eliash, I feel assured that he will conduct the affairs with which he may be entrusted by the Government of Israel in a manner which will merit your Excellency's full confidence and esteem.

Accept, &c. for the Acting Minister,
WALTER EYFAN.

PALESTINE AND THE UNITED NATIONS

A Review of Proceedings during 1948

Sir A. Cadogan to Mr. Bevin. (Received 27th April)

(No. 22)

Sir, *New York,*
20th April, 1949.

I have the honour to transmit herewith a memorandum,⁽¹⁾ prepared by Mr. Falla, on the proceedings of the United Nations in relation to Palestine during 1948. For the sake of completeness, a paragraph has been added to the memorandum covering the signature, early in 1949, of armistices between Israel on the one hand and Egypt, the Lebanon and Transjordan, on the other.

2. As the Palestine question now seems at last to be entering upon a quieter phase, it may be an appropriate moment to analyse developments since the adoption of the United Nations Assembly resolution of November 1947, and to draw such conclusions as may seem legitimate in regard both to the Palestine question and to the working of the United Nations as a whole.

3. The Assembly plan of November 1947 provided in its main lines, for the partition of the country between a Jewish and an Arab State, in accordance with complicated frontiers which were indicated by the Assembly; for economic union between these States; and for a special international régime in Jerusalem and a small area surrounding it. At the end of 1948 the Assembly plan had been carried out only as regards the establishment of the State of Israel, which had come into being through a procedure different from that laid down by the Assembly. The provisions regarding a Palestinian Arab State and economic union were, so far, a dead letter; and it was at least doubtful whether the Jerusalem area would be internationalised, in whole or in part, in accordance with the Assembly's wishes. In addition, the creation of the Jewish State had been accompanied by bitter warfare between it and the Arab countries surrounding Palestine, which had resulted, on the one hand, in substantial military gains for Israel, and, on the other, in the exodus therefrom of several hundred thousand Arab refugees, whose plight was thus added to the many political and economic burdens of the United Nations.

4. In all the circumstances it is perhaps not surprising that the United Nations has been widely criticised, not least in the

exodus therefrom of several hundred thousand Arab refugees, whose plight was thus added to the many political and economic burdens of the United Nations.

4. In all the circumstances it is perhaps not surprising that the United Nations has been widely criticised, not least in the United Kingdom, both for the nature of its proposals for the solution of the Palestine problem and for its lack of success in securing respect for its authority in Palestine. The criticism which has been voiced may perhaps be divided into three heads:—

- (a) that the plan adopted by the Assembly in November 1947 was unjust and did not conform to the realities of the Palestine situation;
- (b) that it was, as the United Kingdom Delegation suggested at the time, imprudent and irresponsible to lay down such a plan without providing for any force to carry it out;
- (c) that, when the United Nations was faced with defiance of its orders in Palestine, it proved itself both slow and ineffective in asserting them.

5. To all these criticisms there are, I think, answers which deserve to be examined in some detail. To take first the charge that the Assembly's partition plan was unjust and unrealistic whatever opinions may be held as to the history of Palestine under the Mandate and the claims, stretching back for many centuries in each case, of the Arab and Jewish communities, it remains a fact, as was emphasised in the report presented by the United Nations Special Committee on Palestine in September 1947, that the closing years of the Mandate were dominated by the presence in Palestine of two acutely conscious national communities. It was this basic political fact which the Assembly resolution of November 1947 sought to recognise; and in the case of the Jewish State, at all events, it is difficult to deny that this recognition was vindicated by events. Such, at any rate, was the view of the United Nations Mediator in his report to the Assembly in September 1948; and

⁽¹⁾ Not printed.

such was the view of the United States, Soviet and South African Governments, among others, which accorded recognition to the Jewish State soon after it announced that it had come into being. It is true that a similar vindication was not forthcoming as regards the Arab community of Palestine; but the behaviour of that community, and of the Arab States in and after May 1948, was certainly not such as to encourage the belief that the Assembly would have acted wisely in November 1947 if it had—following a number of precedents and also the minority opinion of the United Nations Special Committee—pronounced in favour of a unitary or federal State in Palestine. One may indeed without obvious absurdity go further, and credit the delegations which in 1947 voted for partition with a considerable measure of political realism and sense of historic justice.

6. The question whether the Assembly should in 1947 have provided force for the execution of its plan is a more complicated and technical one. In the first place, there can, strictly speaking, be no question of setting up a political régime by force alone. To adapt a well-known saying, you can do everything—or almost everything—with bayonets except found a State on them. It was, indeed, the lesson of the whole British experiment in Palestine that the two communities could not be forced to co-operate as the Assembly plan required, where no will to co-operation existed. The circumstances of Palestine were peculiarly difficult in this respect owing to the legal vacuum which prevailed there after the United Kingdom laid down its Mandate on 15th May, 1948. In theory, the Mandatory régime should have been replaced, as in the cases of Iraq, Syria and the Lebanon, by an independent local authority, which would have taken over power by a smooth and orderly process of transition; or, if for any reason that was impossible, the Mandate should, again in theory, have been handed back to the Principal Allied and Associated Powers of World War I, from whom it was derived. In practice, of course, neither of these procedures was feasible. Nor was there any question—except in the abortive United States trusteeship proposal—of the United Nations itself taking over responsibility on 15th May, 1948, for the Government of Palestine; for the United Kingdom Government's original submission in the spring of 1947 had been limited to a request for recommendations as to the future government of the territory, which

recommendations, however, the United Kingdom did not bind itself to carry out and eventually rejected in several important particulars. In these circumstances, the most the Assembly could do in 1947 was to express the hope that all States, whether or not members of the United Nations, would respect the Assembly plan and would co-operate to the extent indispensable for carrying it out. This the Assembly did, adding a specific request to the Security Council that it would “determine as a threat to the peace, breach of the peace, or act of aggression, in accordance with article 39 of the Charter, any attempt to alter by force the settlement envisaged by this resolution.”

7. Had the Security Council honoured the Assembly's request, and had all States concerned co-operated in accordance with the Assembly's wishes, it is very possible that the partition plan would have enjoyed a greater measure of success. As it was, the Arab States (all of whom were members of the United Nations except Transjordan) made clear from the outset their resolve to defy by all means, including armed force, the partition plan or any other involving the establishment of a Jewish State in Palestine. The United Kingdom Government, for its part, announced in January 1948 that it was determined to lay down the mandate on 15th May, and that it could not in the meanwhile transfer authority gradually to a United Nations agency as contemplated by the Assembly plan, since such action would involve the United Kingdom in its implementation. The United Kingdom also (as detailed in the enclosed memorandum) refused, on grounds of security in Palestine, to allow the United Nations Commission to go there before 1st May, or to open on 1st February, as the Assembly had requested, a port for large-scale Jewish immigration. Finally, the United States Government, which had at the November Assembly shown such zeal in pressing for the adoption of the partition plan, adopted, in the face of continued Arab defiance, a policy of vacillation and retreat. It was the United States representative in the Security Council who, in February 1948, argued that that body had not the right to use force to establish a particular settlement, and who announced that, since the plan could not at that time be peacefully implemented, his Government was of the opinion that it should be replaced for the time being by a United Nations trusteeship.

8. It may thus be said in vindication of the United Nations that, whatever may have been the case with the Arabs, the degree of co-operation which it received from the United Kingdom and the United States in furtherance of its plan was less than might have been expected at the time of the November resolution. The only Power which stood firmly in favour of the Security Council adopting the rôle planned for it by the Assembly, and using such force as might be necessary to give the plan a fair trial, was the Soviet Union. It need hardly be said that Soviet policy in this matter was based upon opportunist motives and rested, as I shall argue below, upon a strained interpretation of the Charter. But it must nevertheless be acknowledged that, throughout the history of the Palestine question, the Soviet Government has succeeded in maintaining a congenial posture of monolithic simplicity and respect for the Assembly's wishes, and posing, in this as in other fields, as a champion of the liberation of suppressed nationalities.

9. So much for the authority, or lack of it, behind the Assembly's plan. We now come to the question of the authority of the Security Council during the period of trouble which followed the termination of the Mandate. As recounted in the enclosed memorandum⁽¹⁾ the Security Council was at the outset restrained from effective action against the Arab invaders of Palestine by arguments put forward by the United Kingdom and other delegations, which may be reduced in substance to two. The first was that Palestine on 15th May had become juridically *terra nullius*, so that from the standpoint of international law there was nothing to choose between the Jews setting up a State within the November frontiers and the Arabs claiming to set up a unitary State for the whole of Palestine. According to this view, there could also be no offence from the Security Council's point of view in the Arab armies occupying territory in Palestine at the presumed wish of the inhabitants. The second argument, of a practical character, was that, if the Council once embarked in coercive measures under Chapter VII of the Charter, there was no telling what would ensue, since the United Nations possessed no forces under Article 43 and there was no prospect of concerted action by the Great Powers in accordance with Article 106.

10. As regards the first argument, it is fair to remark that, although it may have been legally sound, it was scarcely com-

patible with the international character of Palestine, as recognised both in the Mandate itself and in His Majesty's Government's submission of the question to the United Nations; with the moral authority of the Assembly and the prestige of the United Nations; or, finally, with the measures which the Security Council found itself obliged to adopt on 15th July and to maintain throughout the subsequent period of strife in Palestine. Moreover, in so far as the argument was a convenient one for the purpose of shielding the Arab States from United Nations action at the time of their invasion of Palestine, it might logically have been turned against its authors when, later in the year, the time came for the Council to repress the advances of the Jews, who had by then become the stronger party.

11. As regards the argument about the unwisdom of applying Chapter VII in the circumstances of May 1948, the French representative in the Security Council seems to have been on firm ground in arguing that the Council had, strictly speaking, no choice as to whether it should determine the existence of a threat to the peace or breach of the peace under Article 39, though it was within the Council's discretion to decide thereafter what, if any, remedial action it should take; and that the argument from the absence of organised force at the Council's disposal was not conclusive, since the Council had also at its disposal non-military sanctions, such as blockade. The validity of these arguments was tacitly acknowledged by the Council when, on 15th July, it adopted a resolution declaring the existence of a threat to the peace and ordering a truce of indefinite duration under pain of possible further action under Chapter VII.

12. This action by the Council, by and large, fulfilled its purpose, since, despite isolated infractions, there was no serious breach of the truce until the Israeli advances in the Negev in October and December 1948. The Council was, in fact, successful in (as the Acting Mediator put it privately) bluffing the parties into relative submission for a reasonably long period. In the nature of things, however, this bluff could not last for ever; and as early as 28th October the Acting Mediator, voicing the opinion of Count Bernadotte, had expressed to the Security Council his anxiety lest the essentially tenuous and impermanent fabric of the truce should give way altogether unless it were replaced

at an early date by an armistice or permanent peace settlement. The Council's "bluff" as regards the truce was already being called by Israel when, on 16th November, the Council adopted, following Dr. Bunche's advice, a resolution calling for the negotiation of armistices which were in fact (after further Israeli advances contrary to the stand-still provisions of the truce) satisfactorily concluded under United Nations auspices at the beginning of 1949.

13. To sum up, therefore, the credit side of the United Nations balance in regard to Palestine, it may be said, firstly, that the plan adopted in 1947 came at least as near as any which had so far been put forward to satisfying the exigencies of the situation; secondly, that the Security Council (assisted at critical moments by United Kingdom and United States pressure on the Arabs and Israelis) achieved an appreciable degree of success in stemming and isolating the conflict; and thirdly—which has not so far been mentioned in this despatch—that the distinguished Mediator, a United Nations nominee, and his deputy, an official of the Secretariat, by their devotion and ingenuity contributed in no small degree to reducing the conflict and adjusting the viewpoints of the adversaries.

14. This, I submit, is not a bad record for the world organisation in relation either to its achievements in other spheres or to the diplomatic efforts of individual States. If, nevertheless, dissatisfaction in regard to the performance of the United Nations in Palestine (as elsewhere) is sometimes expressed by individual Governments and by the general public, the reason may lie in the fact that it is not generally understood that the United Nations, for good or evil, is not a world Government. If it were, it would have a legislative body with power to issue binding decrees, and an executive body with power to see that these were carried out. In point of fact the United Nations possesses, on the one hand, an Assembly which can only make recommendations to Governments, and, on the other, a Security Council which is not bound to enforce those recommendations and which is, moreover, hamstrung in practice by the veto. In view of the experience of February 1948, when the Security Council failed to adopt the responsibilities assigned to it under the 1947 resolution, it is by no means surprising that the Assembly in December 1948 should, despite United Kingdom and United States suggestions to the contrary,

have taken care not to produce a second blue-print for Palestine, but confined itself to reiterating its view as regards Jerusalem and, for the rest, emphasising (as it had done at the Special Session in May) the note of conciliation between the parties.

15. The Palestine question in fact brought to light in an acute form what may be described as a gap in the constitution of the United Nations. In strict theory, at any rate—and this was the thesis advocated by the United States Delegation in the crucial debate of February 1948—the rôle of the Security Council is confined to that of keeping the peace, if necessary by conservatory measures under Article 40, or, if these are ineffective, by means of sanctions—as opposed to adjudicating upon the merits of a dispute or prescribing a final settlement. (It is true that Article 37(2) of the Charter empowers the Security Council in certain circumstances to recommend terms of settlement; but such recommendations, falling under Chapter VI, are no more binding than those of the Assembly.) Since "provisional measures" under Article 40—such as those adopted by the Council in relation to the Palestine truce—are expressly stated to be "without prejudice to the rights, claims or position of the parties concerned," they cannot, except by fortunate accident, correspond to an ideal settlement of the case, which must take account of the rights of the parties as well as, and in preference to, their relative strength and the degree of advantage which one or the other may have gained at the moment of Security Council action. It may even happen, in practice, that the "provisional measures" militate against such a settlement—e.g., if their effect is to freeze the military situation after the aggressor has gained an initial advantage, and so falsify the basis of such negotiations as may thereafter take place for a permanent political settlement. It is at least arguable that this is what happened in Palestine, since the effect of the Council's truce was to sanction, at least provisionally, the presence of Arab forces in various parts of Palestine, where they had no international business to be, including territory which had been allocated to the State of Israel or which—in the case of Jerusalem—was, in theory, placed under the special authority of the United Nations itself. More particularly, it may be said that the Council's resolutions of 19th October and 4th November, which purported to freeze the military situation according to the lines of 14th

(1) Not printed

October (*i.e.*, substantially as it had been since the truce began), were incompatible with the wish, expressed both by the Security Council on 16th November and by the Assembly on 11th December, that the parties should seek a fair adjustment of the whole Palestine situation by a process of negotiation. This, at any rate, was the argument of the Israeli Government, which expressly declared that it regarded the resolution of 4th November as partially superseded by that of 16th November, and which, in disregard of the former but in pursuance of the latter, concluded with the Arab States armistices which have been approved by the Acting Mediator and the Security Council.

16. The above theory of the relationship between Security Council action and a final settlement, in Palestine or elsewhere, admittedly presents an untidy picture. But it is not easy to produce another which is in conformity with the Charter. The simplest theory is, as I have already suggested, the Soviet one, according to which, the Assembly having laid down a plan, the Security Council is bound to do its best to see that it is carried out. But this view presupposes a link between the two bodies which is certainly absent from the Charter; not to mention the fact that the Soviet Government would, equally certainly, decline to apply it to most matters, other than Palestine, on which the Assembly has ever passed judgment. A second possible theory is to argue, as is ably done by Sir Gladwyn Jebb in a memorandum circulated during the 1948 Assembly (I.O.C. (Paris) (48) III (13) of 25th September, 1948) that the Security Council must have power in the last resort to enforce, as opposed to merely recommending, terms of settlement, if it should deem that these are essential for the maintenance of international peace. As the annex to the memorandum correctly points out, this theory involves attributing to the Security Council (rather than, as in the first theory, to the Council and Assembly combined) the power to impose settlements which was at times exercised by the nineteenth-century Concert of Europe. The last three words in themselves strike a note of warning, since, whatever may have been hoped in 1945, it is clearly impossible to-day to repose our hopes of world order in a body split by the so-called "unanimity principle" of the Great Powers. Apart from this fact, there is possibly an objection of principle that it is retrograde for

such ultimate authority to be placed in the hands of a small body such as the Council, when there exists a world forum in the shape of the Assembly.

17. But, whether or not ultimate authority is in this way attributed to the Council itself or (by revision of the Charter) to the Council and the Assembly combined, there must clearly remain an area—and, given the present weakness and division of the international community, that area will be large rather than small—where the settlement of a political dispute is bound to be dictated in a great measure by the interplay of forces on the spot. As suggested in paragraph 5 of this despatch, the Assembly was able in Palestine to assist in the birth of a Jewish State, which would probably have some into existence anyhow: but its success has so far been very limited in bringing about a settlement in regard to the other parts of the country, where the situation was more fluid and disorganised. Similarly, the Security Council was able, by evoking the spectre of its powers under Chapter VII, to mitigate the strife in Palestine, but not to prevent it altogether, still less to bring about a definitive situation in which both parties could acquiesce. That was done, in effect, by Israel taking the law into its own hands, repelling the Arabs to positions more consonant with the revised balance of forces and with the original Assembly plan, and, basing itself on the resolutions of 16th November and 11th December, negotiating armistices under the auspices of the Acting Mediator, which have since been blessed by the Council and will presumably provide the foundations of a final peace settlement.

18. To sum up, the United Nations has at no time been fully in control of the Palestine scene, nor have its directions at any time been fully obeyed. But its legislative, coercive and mediatorial functions have, at all stages of the problem, been more or less employed; and, given that it is not and does not profess to be a world Government, I submit that they have not been employed without benefit to Palestine or credit to the United Nations.

19. I am sending copies of this despatch to His Majesty's Ambassador at Washington and His Majesty's Representatives at Cairo, Amman, Beirut, Bagdad, Damascus, Jedda, Haifa, Jerusalem and B.M.E.O., Cairo.

I have, &c.

ALEXANDER CADOGAN.

CONDITIONS IN TEL-AVIV

Mr. Helm to Mr. Bevin. (Received 28th May)

(No. 3)
(Light)
Sir,

Tel Aviv,
23rd May, 1949.

In my telegram, No. 4 of 17th May, I had the honour to inform you briefly of the attentions shown to us on our arrival in Israel, on 17th May, and in my telegram, No. 15 of 19th May, of press reactions on that occasion. It may now be worth while to let you have a brief account of my first impressions of Tel Aviv. They will necessarily be superficial and provisional, because I have seen little and my contacts have necessarily so far been few.

2. Preceded by three siren-sounding policemen on motor cycles, we rapidly and dangerously zigzagged our way through Haifa, of which I saw little. But the ruins of what I was told had been the Arab bazaar did strike my eye. They were described by the two Israel officials accompanying us as due to street widening. They were, in fact, war destruction. Thereafter the road was good, though narrow, but the journey no less perilous because of the great volume of heavy traffic which it carries. This has been increased by the fact that the railway is for all practical purposes unusable for freight, since at Tulkarm it passes through a small area in Arab hands. Some distance out of Haifa, I observed two large camps, which I was told are used for clearing immigrants. Delay in such clearance has increased and it has been admitted that, at the present time, some 60,000 immigrants are housed in such camps. Conditions are stated to be extremely bad, and trachoma, tuberculosis and syphilis prevalent and menacing. Some useful information about immigration has already come my way, but that will be the subject of an early separate despatch.

3. One surprise was in store for me on my way down. It was the pointed expression of appreciation by my welcomers—repeated the next day by the Chef de Protocol—of the fact that, unlike the Americans and the Russians, we had not dumped ourselves upon them, but had planned our arrival, so that things were more or less ready for us. I had been prepared for mild sarcasm about the delay which occurred, but I believe the satisfaction to have been genuine. I only wish that we had complete ground for satis-

faction about our accommodation. So far as temporary office quarters are concerned, there is no cause for complaint, because the two basements and the further rooms on the fifth floor of the same building are much better than I had expected. I am correspondingly the more grateful to the Conference and Supply Department, and to the representatives of the Ministry of Works for their assistance in this connexion. Unfortunately, the position as regards residential accommodation is unsatisfactory in the extreme, not only for my wife and myself but for every member of the staff.

4. The coincidence of our arrival with the first *khamzin* of the season (and my first for many years) might have given me a jaundiced view of Tel Aviv. But the *khamzin* passed four days ago, and I still doubt whether, from close to the water's edge inwards, there can be a less attractive town in the world than Tel Aviv, with its quarter of a million inhabitants. It combines the worst features of the east and the west and has all the appearance of a prosperous new fifth-grade Middle West town on fair day. The buildings are new and ugly, the narrow streets jammed with pedestrians and uncontrolled traffic, and noise is everywhere. But there is no doubt that the town is violently alive. Also, the people look pleased with themselves and the atmosphere of a police State seems absent. Apparently they work hard, though only, and this includes waiters and any domestic servants that exist, for eight hours a day, and five-and-a-half days a week.

5. The town possesses not a single park or open space, with the result that many concentrate on the sea front and on its 500-yard long esplanade, which peters out at each end, and on which the hotels look out. These are packed inside and out, and like nearly every other building in Tel Aviv, have walls of hollow brick with stucco facing. Our own hotel is the best in the town. Its "salon" is the largest of our four rooms (all hotel rooms are bedrooms for two, but, except for fixtures, we have removed the hotel furniture from our own), and measures exactly 13' 3" x 11' 9", from which, however, 14 square feet have to be deducted for a fixed folding

bed and a screened-in wash-basin. Mr. and Mrs. Crowe have the corresponding room above us and that has been, and is likely to remain for some time, their only home. The bill for their first ten days, which included nothing out of the ordinary, was £96.

6. But close quarters are not our greatest trial. That is the open air café orchestras, gramophones, and loudspeakers which surround us. From 5 p.m. till midnight they blare out at the highest volume, making conversation very difficult and concentration and reading quite impossible. There is no relief even if one shuts the ill-fitting, uncurtained windows, and I can testify that when at last the cafés close down, the walls are so little soundproof that one can readily guess the occupation of most of the inhabitants of the hotel at any particular moment. Yet there is no escape for, as I have said, there is no park, the streets are filled, and a walk along the crowded esplanade merely takes us from one blaring loudspeaker to another and sends us back to our own very particular saxophone. Then one just waits for midnight and comparative quiet and I, at any rate, have wondered whether, as an instrument of torture the Tel Aviv loudspeakers could be much less effective over a period than the methods of the Hungarian secret police.

7. A Sunday morning attempt to get a little exercise by penetrating on foot the no-man's-land of ruins (which owe nothing to Coventry, Cologne, or Budapest) between Tel Aviv and Jaffa, was frustrated by heat, sand and smell, and finally convinced us that any sort of a walk in Tel Aviv is out of the question. The only resource within reasonable distance of the present capital is the new luxury hotel at Herzliya, overlooking the sea some forty minutes by car from here. It is there that I hope to accommodate Sir William Strang, in order to spare him the worst terrors of Tel Aviv. It is there, also, that I should like to transfer ourselves. Unfortunately, I fear that that is impracticable if I am to discharge the task entrusted to me. On the other hand, some relief is essential if I am to have any hope of doing so, and I have therefore decided that, regardless of the cost, and while retaining our enormously expensive hotel "suite" in town, we shall seek refuge there over the week-ends, until such time as we can find a house of our own.

8. In some ways the other members of the staff are more fortunate than the Crowes and ourselves, because their quarters

are away from the hotel area, and the esplanade. But they also have their radios, gramophones, street cries, communal dancing and quarrelling housewives. For the moment, our luckiest is the information officer who, because he has a small child, has been driven to the French Hospital, with its nuns, in Jaffa. Much time will, I fear, be required before the majority of us can get half reasonably housed. That must, however, be one of my immediate objectives, though I realise that the cost will be heavy. The surrounding villages, built on slight hills or mounds, and with some claim to greenery and gardens, though none to architectural beauty, must be the main area of our search. They are not altogether unattractive and, but for the excessive overcrowding, would offer a reasonable solution.

9. Among these villages is Hakirya, which has been taken over as the Government quarter. It was formerly the German settlement of Sarona and consists of many tiny hungalows each of three or four small rooms. Thus each Ministry has its own section and each tiny department its own small house. This hardly facilitates administration, but work does seem to get done and apparently, as with domestic servants and waiters, the working hours are regulated.

10. In the six days since my arrival I have hardly been outside the bounds of Tel Aviv. My contacts with Israelis have necessarily been limited to the few members of the Foreign Office upon whom I have called unofficially, and must so remain until I present my credentials. I have, however, had long conversations with responsible resident British press correspondents and with others, one of whom in particular, a British Jew, I should think is especially well informed. All of these tell me that President Weizmann is a very sick man and that, in the past year, he has been nothing more than a figurehead. The real power is the Prime Minister, Mr. Ben Gurion, to whose abilities all pay high tribute. In its internal policy the Government has the general support of the Mapam Left wing, but though many think that a coalition between Mapai and Mapam is desirable, this is probably unrealisable for ideological reasons. The same source suggests that Communist strength is about stationary. They are, however, quite emphatic that Soviet influence is at a low ebb. I understand that the numerous members of the Soviet Legation keep themselves entirely apart, and that, even when they decide to

appear at social functions, they make their exit at the earliest possible moment.

11. It would be easy to produce evidence (not least statements by Mr. MacDonald himself) to suggest that the American Ambassador is the most popular foreigner in Israel. My initial contacts tell me that this tribute is more apparent than real, and that in fact and among responsible Israelis, Mr. MacDonald is something of a laughing stock. More importantly, I am assured that American popularity and influence here have begun to wane and that American methods are causing considerable annoyance. Israel welcomes and, indeed, requires American financial support but is, I understand, becoming increasingly resentful of American attempts to call the tune. These feelings are not yet finding public expression, but may develop further if the attempts to Americanise Israel are persisted in, and if the present falling off in American Jewish subscriptions is continued. As you know, the target figure for this in the present year is \$250 million. To date, the amount actually subscribed is some 20 per cent. of that, and therefore, far below schedule.

12. As regards ourselves, I must at this early stage write even more tentatively. There is, however, no doubt that the authorities of Israel have received me and the individual members of my staff very cordially. They seem to have been genuinely pleased to see us. On arrival at Haifa or Lydda each individual has been shown every facility. We seem to be welcome in our hotels, pensions, &c. I have seen no sign, nor have I had any sense, of hostility—quite the contrary—when riding through the crowded streets with the flag flying. On the other hand, one can still see rather faded notices on walls in Hebrew

and English, worded, "English invaders, out of our country." (I propose to take the first suitable opportunity of recommending the Minister of Foreign Affairs to get rid of these.) Also, I am assured by the sources referred to above that anti-British feeling is still strong, and that the indications of it in the press comment, summarised in my telegram No. 15, are not merely empty phrases. But I am also assured that deep down the only sincere respect is for Britain and that it would not take much to bring about a real change. I cannot yet estimate the correctness of this view, but I am told that if only the Government and people of Israel were satisfied in their own minds that we had no desire to sabotage the new State, but fully accepted its existence, their desire to resume what they call "the old relationship" would quickly assert itself. One opinion expressed to me was that so far our advances had been too obviously grudging and forced upon us. A good instance, according to this source, had been at the announcement of *de facto* recognition. If, the source stated, you, Sir, had then stated that His Majesty's Government wished the new State well, the effect would have been electric. I duly countered the remark and, in fact, doubt whether such a statement would have been timely at the moment of *de facto* recognition. It could, perhaps, if we so wished, be more appropriately made when, in due course, *de jure* recognition is announced.

13. I am sending copies of this despatch to the British Middle East Office at Cairo, and to His Majesty's representatives at Washington, Moscow, Cairo, Bagdad, Damascus, Beirut, Amman and Jerusalem.

I have, &c.

A. K. HELM.

E 6972/1579/131

No. 9

IMMIGRATION PROBLEMS IN ISRAEL

Mr. Helm to Mr. Bevin. (Received 3rd June)

(No. 5)
Sir,

Tel-Aviv,
26th May, 1949.

I have the honour to inform you that the Director-General of Immigration announced on 19th May that 218,000 immigrants had arrived in Israel during the first year of the State's existence, so bringing its Jewish population up to 890,000. In other words, immigration had

accounted for an increase of exactly one-third in the Jewish population in the course of a single year.

2. Most, but by no means all, of these immigrants had come by sea. Some indication of the present sources of immigration is obtained from figures published on 22nd May, showing that of the 5,715 immigrants arriving in the week ended 14th May,

1,300 came from Turkey, 384 from Central Europe, 700 from North Africa, 2,881 from camps in Europe, while 270 were Yemeni Jews from Aden. These last travelled mainly by air, the transport being provided by a number of small American charter companies (Trans-ocean, Trans-Caribbean, &c.), which function mainly, if not entirely, outside the United States. They are pool concerns, run by groups of American ex-servicemen, who place their services at the disposal of the Israel Government and divide the proceeds among themselves. The business is apparently a lucrative one, as I understand that, on the average, each of the seven members of their crews nets approximately 1,500 dollars a month. They use Constellations and Skymasters, apparently having their own arrangements for refuelling, even when they go as far as Bombay, from which the other day one aircraft alone brought eighty-seven immigrants. Seven hundred Jews, most of them allegedly fugitives from Afghanistan, are said to have been brought by air from Bombay since the end of March.

3. There is no doubt that the flood of immigration is causing the Israel Government concern. It certainly far exceeds the absorption capacity of the State. Even many immigrants, who have allegedly been settled, continue, in fact, to live on the dole. But as many as 54,710 immigrants were held at reception camps on 14th May. On the same date it was announced that the capacity of such camps, stated to be 66,000, was to be increased by the addition of two new ones, one of which, a former British army camp near Haifa, is to accommodate 3,500. During the week ended 14th May accommodation, mainly in houses which had been "abandoned" and repaired, was provided for only 343 families.

4. The Israel Government would certainly like to restrict the flow. They cannot, however, bring themselves to do so, although I am told that some time ago they tried to stop the coming forward of the aged and the sick. But the immigration authorities abroad, *i.e.*, the Jewish Agency representatives, ignored the instruction, and the Government, which apparently has so far been unable to stand up to the Agency, was powerless. Yet an indication that even the Jewish Agency is weakening is forthcoming from the Head of its Immigration Department who, on 23rd May, though denying that the Agency was seeking to restrict immigration, admitted that chronic invalids, whose care would

become an excessive burden on the young State, were not being brought at once. Actually, however, and even if the Jewish Agency should persist in its established policy of active recruitment abroad for immigration, it seems likely that in time the flow will gradually diminish as stories get back to the departure points of the disillusionment now in store for immigrants when they reach Israel, and when they hear that for the new immigrant Israel, far from being a land of milk and honey, is, for many months at least, one of primitive camp conditions, disease and destitution.

5. Another subject of Government concern is the quality of the immigrants themselves. The Yemeni Jews are excellent material, a fact which no doubt accounts for the relatively enormous sum which the competent authorities are apparently prepared to pay for their transport here. The North African Jews are, however, quite another matter. They are undesirable settlers, and it is feared that their continued immigration *en masse* will have a permanent and injurious effect on the development of the new State. The Israel Government would clearly prefer to be without them but are powerless actively to arrest the flow. So far as Eastern Europe is concerned, the measures taken by the Soviet satellite Governments, particularly those of Roumania and Hungary, to stop Jewish immigration, have been effective, and few are now coming forward from these countries. Just because of the local measure, however, the Jewish Agency is working its hardest to get immigrants from these countries because they believe that time is working against them and that, unless they get the Jews out now, the exit, as from Soviet Russia, will be effectively closed for many years to come. I am told that practically all Jews are now out of Bulgaria, and that few remain in Poland. I have heard nothing about Czechoslovakia. Roumania is pretty well written off, but it is still hoped to get 20,000 or so from Hungary. Emigration from Yugoslavia is, I understand, relatively easy and at the moment does not present to the Jewish Agency such an urgent problem as does that from the other satellite countries. As regards these last, it has been suggested to me that the Israel Government would like to force the issue and expose their hostility to Israel. They refrain from doing so because they still hope, first, to get a thin trickle of immigrants out, and, secondly, by means of trade, to secure the export to

Israel of some at least of the capital value of the assets left there by the Jewish emigrants.

6. There seems to be no doubt that many of the disillusioned emigrants would retrace their steps if they could. For most this is, however, impossible, if only because they have been brought here under the auspices of the Jewish Agency, and have no means. But even those who have means are hardly encouraged to leave.

7. Much useful information about the reception and initial maintenance of immigrants pending their settlement is contained in the enclosed extract from a speech which the treasurer submitted to the recent meeting in Jerusalem of the World Zionist Action Committee, on which I am reporting separately in my despatch No. 4. It will be seen from this that the responsibility of the Jewish Agency for the immigrant passes to the Government of Israel only when he has a roof over his head and is in a position to secure employment. The treasurer left no doubt that the task now confronting the Agency in this connexion is an almost insuperable one, but refused to face the only reasonable conclusion from his remarks, namely, that the situation can probably only be saved by the control of immigration into Israel.

8. I am sending copies of this despatch to the British Middle East Office, Cairo, Washington, Moscow, Cairo, Bagdad, Beirut, Damascus, Amman and Jerusalem.

I have, &c.

A. K. HELM.

Enclosure in No. 9

Extract from Report delivered by Dr. Israel Goldstein, as Treasurer to the Jerusalem Meeting of the World Zionist Action Committee, 5th May, 1949

This Executive of the Jewish Agency, chosen eight months ago, comes to you with a record in many respects unprecedented. One hundred and seventy-eight thousand have been taken under its wing as new settlers in Israel, including 7,200 of the Youth Aliyah. Almost 50 per cent. of the immigrants came in Jewish-owned ships in which the Jewish Agency has a part.

Thirty-three new agricultural settlements have been established in all parts of the country. Constructive and productive use has been made of scores of abandoned towns and villages.

During these eight months the Jewish Agency has expended an amount of £1.14 million, mainly for immigration absorption, colonisation, Youth Aliyah, and allied tasks. This amount is nearly 30 per cent. more than was spent by the Jewish Agency for the same purposes in the whole of the preceding year. But, in comparison with the need, the sum has been tragically inadequate, as anyone can see who visits the immigrant camps and who observes the woeful shortage in housing for immigrants. The period of eight months covered in this report is, therefore, at the same time the most gratifying and the most distressing in the history of the Jewish Agency.

These accomplishments would not have been possible without the co-operation of the Government of Israel. Out of the twenty-four camp sites serving as reception centres—most of them purchased by the Jewish Agency from the Mandatory Administration and turned over to the Israel Army—the bulk has been released by the Government. Abandoned towns and villages have been made available to new immigrants. Employment is the Government's responsibility. The Government has a large part in the medical services in the reception camps. The bulk of the responsibility for the new immigrant, until he becomes a self-supporting citizen, falls upon the Jewish Agency. The Agency takes care of the new immigrant when he disembarks from his ship, transports him to the reception centre at a cost of about £1 *per capita*, feeds him at a daily cost of 220 mils *per capita*, provides him with clothing, shelter and medical services. The Jewish Agency takes care of social cases such as the aged and the sick at considerable costs, keeps him in the reception centre at a cost of approximately £1.10 *per capita* per month. Fifty-five thousand are now in such reception centres. When he is ready to find a dwelling-place and employment in a city, town or agricultural settlement, he is provided with a bed, mattress and blankets and a few pounds in cash, involving a total *per capita* allowance of £1.7 with which to begin his household. The amount has been reduced from £1.13, and will have to be reduced still further. For those who go into agriculture, the Jewish Agency spends on him in the first year up to

£11,000 per family. Too great a majority have been going into towns and cities. Nearly 100,000 are now in Arab abandoned quarters, in towns and villages, where the Jewish Agency has spent almost £1.30 *per capita* for repairs to make the dwellings habitable. This source for dwellings is already exhausted. The Jewish Agency, preparing for 20,000 a month, who are expected from now until the rest of the year, for whom there is no shelter in prospect, either in reception centres or in Arab abandoned quarters, is entering upon a programme of provisional housing, in the form of huts or tents, accommodating three persons each, which can be built quickly at a cost of approximately £200 per unit. Standard wooden houses cost about £450 per unit. Houses of stone and concrete cost about £750 per unit and take four to six months to build. As soon as the immigrant has a roof over his head and is in a position to secure employment, he ceases to be the responsibility of the Agency and becomes the responsibility of the Government. Ten per cent. of the immigrants approximately come with means of their own.

For the children of Youth Aliyah, orphaned children, for whom there are special reception centres, and who are permanently accommodated in agricultural settlements, in special children's villages, or in children's institutions in towns and cities, the costs are higher because the care of children is more specialised. The initial expenditure on outfit and equipment is £1.46 per child. The monthly cost of maintenance is about £1.18 *per capita* in institutions, while in agricultural settlements the cost is £1.14 per child and £1.5 per youth, the difference being due to the fact that the youth works part of the day and thus contributes to his own maintenance.

All this is involved in a proper fulfilment of the task of immigration absorption, reception, maintenance, and housing, until the immigrant earns his livelihood and supports his family. One basic figure is worth bearing in mind. The cost of immigration absorption (Klitah) is approximately £1.350 *per capita*, from public funds, and at least an equal additional amount of investment capital to create employment opportunity by the expansion of industry and agriculture.

The immigrant absorption cost of £1.350 *per capita* from public funds, means that an immigration coming in presently at the rate of at least 250,000 for the current budgetary year ending 30th September, 1949, would require £1.85 million exclusive of the Jewish National Fund budget for land purchase.

When one compares the funds which are available to the Jewish Agency with the amounts which are required, one begins to appreciate the extraordinary difficulty of our position. One then understands why the conditions in the camps are what they are and why the tempo of housing for immigrants is what it is.

The Actions Committee at its meeting eight months ago did not expect an immigration of more than 10,000 a month and you will remember that even those who said so were regarded as optimists. The Actions Committee specifically spoke in terms of 125,000 for the year. It expected that the budget required for such an undertaking would be more or less within its reach. Its present financial problems, therefore, are in proportion to the increase of the actual immigration figures over the estimated figures of eight months ago. The stark fact of the matter is that the costs of absorption, besides housing, even at the most reduced standards, cannot be controlled because when the immigrants come here they have to be given food and shelter and have got to have medical attention. The costs of Klitah, which cannot be controlled as long as immigration is not controlled, are proceeding at a rate which will require 10 million more than the income seems to warrant this year, and housing, which, as you all recognise, is the most acute need, will require at least £15 million more than we have been able to figure for it, even assuming that additional funds will be raised by loans or gifts. I am not mentioning here the internal general budget which has been approved, and will be submitted to the Standing Finance and Budget Committee of the Actions Committee and not discussed here, at least not for the present. You may assume, however, that it is pitifully inadequate. You should also know that there is a huge debt owed by the Government to the Agency which, if paid, would go a long way toward meeting the needs.

UNITED KINGDOM REPRESENTATION IN ISRAEL

Presentation of Credentials by His Majesty's Minister

Mr. Helm to Mr. Bevin. (Received 3rd June)

(No. 6)

(Light)

Sir,

Tel Aviv,

28th May, 1949.

I have the honour to inform you that on 27th May I presented my credentials to Dr. Weizmann, President of Israel, at his Tel Aviv office in Ha'Kirya, the former settlement of Sarona, which is now the Government quarter.

2. I am only the third fully accredited representative to Israel, my predecessors having been the Soviet Minister and the United States Ambassador. Israel protocol is therefore not yet firmly established. But I gathered that the protocol for my reception was being designed as the standard for the future, and with this end in view numerous points were discussed with me in advance in considerable detail. Among them was the decision that, contrary to what, at his own special request, took place at Dr. McDonald's reception, wives should not be present. As a result the programme, of which a copy(1) is enclosed, was drawn up and in the event faithfully and punctually adhered to.

3. The streets between the temporary Legation offices and Ha'Kirya, as well as those for the return journey to my hotel, were cleared of traffic. Preceded, flanked, and followed by the escort of motor-cyclists, the four cars constituting the procession moved at a decorous pace. A crowd of some thousands had gathered in the vicinity of the Legation and the surrounding roofs also had many spectators. There was a similar, though smaller, crowd, at Ha'Kirya. Policemen lined the streets at frequent intervals and their salutes were smart. Friendly waves and smiles from the spectators also were not infrequent. And, though I know that feelings were still strong, I again, as on my arrival ten days before, personally sensed no feeling of hostility. The bearing of the guard of honour outside the President's office was smart, and the rendering of "God Save the King" the best I have heard on any such occasion.

4. Like the other Government buildings at Ha'Kirya, the President's office is a modest one. Indeed, the small room into which I was shown recalled to me the presentation

by the late Sir Ronald Lindsay of his credentials to Mustapha Kemal in the heroic days of Ankara. With officials, press correspondents and photographers, &c., there must have been some forty people in this small room where Dr. Weizmann waited with Mr. Sharett by his side. I immediately read to him the brief speech I had prepared and submitted in advance, to which he replied in, I thought, rather halting Hebrew, which was afterwards translated. Copies of the speeches(1) are also enclosed. That of President Weizmann seemed to me as cordial as could be expected in the circumstances. I am informed by the *Times* correspondent, who was inside the room, that Dr. Weizmann was visibly moved when the playing of the National Anthem indicated my arrival, and I have it from an Israeli, who conversed with him the day before, that he regarded the occasion as one of the great and happy ones of his life.

5. The President and I sat and talked for about twenty-five minutes, Mr. Sharett leaving us alone and circulating among my staff and others present in the room. It was my first meeting with Dr. Weizmann, who certainly is not in good health, but whose mental faculties seemed to me to be acute. He said that his journey to America had tired him greatly and then turned the conversation to express his regret that Mrs. Helm and Mrs. Weizmann had been banned from the proceedings. He was very anxious they should meet. I remarked that I had it in mind to ask the Chef de Protocol to provide an opportunity for this. He dismissed this as too formal, called his secretary and arranged that we should go informally to dinner next week at Rehovoth.

6. Reverting to my speech, Dr. Weizmann said he was confident that I should have the thorough-going support not only of himself but of the Israel Government in the task which I had set myself. No one regretted the recent past more than himself and he wished it forgotten. This should not be unduly difficult with goodwill on both sides. "Much would depend on the Foreign Office." I replied that goodwill was certainly required from both sides and that as

regards the Foreign Office the position as you, Sir, had yourself in terms stated to me was that the future and not the past was my concern, and that we were approaching it without prejudice. I went on to say that he would well realise how vital our interests were in this part of the world and, therefore, the extent to which we attached importance to its peaceful development. That would not be possible if a canker existed in any one part. Equally, however, our Middle East interests could not permit us to sacrifice Arab for Israeli friendship or *vice versa*. In other words, friendship could not be exclusive: we desired friendly relations with all. Dr. Weizmann cordially agreed, remarking that this point was now appreciated by the Government of Israel. It was, he said, the more important and the more urgent that friendship should be established in order to put a stop to trouble-making from the north. Dr. Weizmann confirmed that he meant the further north, as the Kremlin had throughout been exploiting our differences with Israel for its own purposes.

7. After the President had expressed pleasure at the prospect of a talk with Sir William Strang, there followed some talk about the Palestine Campaign of 1917-18 and about the late General Allenby, for whom Dr. Weizmann expressed great respect and esteem. From that we passed

to his autobiography, "Trial and Error," and he remarked that he had heard a suggestion of regret that the latter part of the book had been too much telescoped. This had been due partly, he said, to a request of his publishers, who advised him against letting the book run to two volumes. But, he continued rather sadly, the publishers' suggestion had been very welcome to him because he had wanted to draw a veil over that period regarding which he said almost in a whisper that his views were rather different from those held by many people here.

8. Soon afterwards I took my leave and, accompanied by the Chef de Protocol, returned to my hotel, where the Israel authorities paid me the delicate attention of spontaneously having the Union Jack hoisted immediately upon my arrival.

9. If the *Palestine Post* is to be believed the B.B.C. fortuitously provided a theme song for the ceremony. It was, "I'll be loving you always," heard by the assemblage outside the President's office through a wireless set in one of the official cars.

10. I am sending copies of this despatch to B.M.E.O., Cairo, Washington, Moscow, Cairo, Bagdad, Beirut, Damascus, Amman, Jedda and Jerusalem.

I have, &c.

A. K. HELM.

E 6845/1821/31

No. 11

ARAB REFUGEES

Conversation between Sir W. Strang and the Israel Prime Minister and Minister for Foreign Affairs

Mr. Helm to Mr. Bevin. (Received 3rd June)

(No. 59. Telegraphic)
(Light)
Sir,

Tel Aviv,
3rd June, 1949.

Two-and-a-quarter hours' conversation yesterday between Sir W. Strang and Israel Prime Minister and Minister for Foreign Affairs at which I was present eventually turned on Israel feelings to Arab refugees. Prime Minister who conducted main line of conversation while Minister for Foreign Affairs filled in detail said conditions of these had been exaggerated. He put figures between 500,000 and 600,000. They were not, properly speaking, displaced persons as they had not been put

out. Israelis had asked them to stay. They had chosen to go and for this His Majesty's Government bore heavy moral responsibility.

2. So long as Arab States refused to conclude peace these refugees must be regarded as enemies and there could be no question of their return under armistice conditions. Moreover, owing to their absence the organisation of Israel during the past year had had to be shaped without them and was different from what it would otherwise have been. Their integration into Israel now would present an insuperable problem as the clock could not be put back.

3. Comay later explained that this did not mean that Israel would take none of them back. But the number must not be such as would disrupt Israel's economy or create a security problem.

4. Prime Minister said that Israel was ready to let bygones be bygones. The Jews had other and better memories of Britain than those of 1939 and 1948 and these were coming more into perspective. Israel interest like that of Great Britain demanded tranquility in the Middle East. It lay in raised standard of life in Arab countries. He believed we wished peace and development in these countries in the interest of their people. Israel was ready to co-operate with us to that end. But for this it was essential that Britain should take Israel as she is and that we accept the fact that her absolute independence was a *sine qua non*. Her position could not be that of a so-called independent Arab kingdom like Transjordan or even that of Egypt. Rather had he Belgium in mind.

5. During later after-dinner conversation Sir W. Strang took up this point with the Minister for Foreign Affairs who explained reference as one relating to sovereign rights in matter of foreign schools, &c.

6. In reply to question by Sir W. Strang about the nature of co-operation he had in mind the Prime Minister replied that the rôle of Israel as a small country could only be small in comparison with ourselves. But she could be a sort of an exhibition which neighbouring countries could attend with resulting benefit for themselves; she could send specialists and experts to help forward the work of development in these countries; she would play her part in developing trade, and finally much benefit could result from point power and other enterprises in particular with the Lebanon, Syria and Transjordan. Minister for Foreign Affairs twice particularly mentioned joint scheme with Syria for power from Litany river.

7. In conclusion the Prime Minister said that just as our policy towards Arab States should not involve any hostility towards Israel so should Israel policy not involve hostility to Britain. But this was not enough: he wanted something more positive in Anglo-Israeli relations.

8. Both Prime Minister and Minister for Foreign Affairs spoke with courtesy and moderation and their reception was friendly. By contrast President Weizmann this morning spoke bitterly about past British rôle and about past and present acts and outlook of Arab States to whom he referred in contemptuous terms. They had made war and had been defeated and must make the best of it. But even so he looked forward hopefully to an improvement in Anglo-Israeli relations.

9. Sir W. Strang took the general line that while he could not accept Israel's account of past events he was not here to argue about the past, but to learn about the present and to look to the future. We accepted the existence of Israel and wished her well. For strategic and other reasons we had special relationships with Arab States. These relationships had been formed before Israel existed and would continue now that Israel had come into being. None of this was in any way directed against Israel. We were using our influence in the Middle East in the interests of pacification and had [groups undecipherable? obligations in] the rehabilitation of the economies of Middle Eastern States in the interests of their peoples. Sir W. Strang gave examples to illustrate this but did not pursue the Prime Minister's suggestion for Anglo-Israeli co-operation. On the question of refugees he recalled the United Nations resolution and the rôle of the Conciliation Commission and explained reasons for United Kingdom interest referring briefly to the steps we are taking to help towards a solution. On this question of refugees Israelis are becoming very stiff.

TRADE UNIONS IN ISRAEL

7th Conference of the Histadruth (General Federation of Jewish Labour)

Mr. Helm to Mr. Bevin. (Received 9th June)

(No. 8. Confidential) Tel-Aviv, 6th June, 1949.

I have the honour to report that the Seventh Conference of the Histadruth (the General Federation of Jewish Labour) was held in Tel-Aviv from 24th to 31st May. The main issues before it were the Trade Union Movement's attitude to the Government's new economic policy and the attitude it should adopt to the split in the World Trade Union Movement. The real significance of the meeting, however, lay not so much in what it accomplished as in the split that it revealed between Mapai and Mapam, the United Workers' Party, which emerged on every issue discussed, and more particularly on the question of the relationship of the Histadruth to the split in the World Trade Union Movement.

2. The membership of the Histadruth Conference is made up as follows: Mapai 286, Mapam 172, Ha'oved Ha'zioni 18, Communists 13, and Religious Workers 11. Above the conference there is a council of 201 members, whose composition is proportionately the same as that of the conference, and an executive of 51 members. As a result of the elections held by the conference, the executive now consists of 29 members of Mapai, 13 of Mapam and 4 of the other parties. Thus Mapai obtained an absolute majority and were able to control the decisions of the conference.

3. The principal economic issues before the conference were (a) that the long-established Histadruth principle of a fixed daily wage should be abandoned and some form of payment by results introduced, (b) that wages should be frozen until the end of the year, and (c) that, in order to facilitate the absorption of immigrants, new immigrants should be housed near agricultural settlements where they could obtain work and instruction from the collective settlements and in due course possibly become members of the settlements. Mapai appear from press reports to have been successful in obtaining the support of the conference for the Government's proposals under these headings, but the texts of the economic resolutions which were referred for final drafting to the executive have not yet been published and,

in the absence of them, it is difficult to state exactly how far the conference were prepared to go in support of the Government. These proposals were all opposed by Mapam, on the general ground that the Mapai was deviating from protecting the interests of the working people and submitting to capitalist interests. Mapam's opposition was particularly strong to the proposal that immigrants be settled near the collective farms or Kibbutzim, which they regard as particularly their preserve, and from which they draw much of their strength. They did not wish to see the spirit of these settlements diluted. A further report on the economic results of the conference will be submitted as soon as the text of the resolutions is available.

4. In addition to the above subjects, various proposals were put forward on the need for large-scale housing schemes in rural areas, Government aid to rehabilitate the citrus industry, a programme of public works including the draining of the Hule swamp and a network of roads in the Negev, the development of abandoned Arab areas and the enlargement of Histadruth funds for the development of industry. The texts of these resolutions will also be reported as soon as they are available.

5. The conference was addressed by the Prime Minister, Mr. Ben Gurion, and his speech brought out many of the political issues which fundamentally divided the conference. In his opening remarks, Mr. Ben Gurion explained his negotiations for the formation of the present Government. He said that he considered the Mapam platform not to be incompatible with the programme he had proposed for the Government except on two planks, its views on the army and its foreign policy. He said that he had offered Mapam the Ministries of Agriculture, Public Works, Co-operatives, Health and Housing. Mapam had asked for the portfolios of Defence or the Interior (a familiar gambit), but these demands he could not meet. Mapam then asked for the directorships of the Ministries of Defence and Foreign Affairs, but while Mr. Ben Gurion had agreed to the former he could not accept

the latter request. The next day he was told that Mapam would go into opposition.

6. The Prime Minister then went on to outline the plans for the future army of Israel, which will shortly be presented to the Knesset. In outlining his plans, Mr. Ben Gurion was replying to criticism by Mapam of the Government's failure to maintain the Palmach as the nucleus of the army. The Prime Minister admitted that the Palmach had been the best-trained formation in the Haganah and paid tribute to the part it had played in the fighting. But Mapam has tended to regard the Palmach as its own particular force, recruited as it was from the Kibbutzim, and Mr. Ben Gurion attacked Mapam by implication for taking upon itself the "guardianship" of the Palmach and claiming for that formation credit which should go to the whole army. Mr. Ben Gurion's speech continued with an outline of his proposals for the settlement of immigrants near collective farms mentioned above.

7. It was, however, on the question of the relationship of the Histadruth to the World Federation of Trade Unions and the Western Trade Unions that real divergences of principle emerged, and the debates this issue provoked were the stormiest of the conference. Mapam and the Communists submitted a joint resolution denouncing the Western Trade Unions which had seceded from World Federation of Trade Unions, expressing loyalty to the World Federation of Trade Unions, calling for the return of the dissidents and declaring that Histadruth would not recognise the Western-sponsored international. Mapai, on the other hand, submitted a resolution which expressed regret at the secession from the World Federation of Trade Unions, pleaded for the unity of International Labour, and proposed that Histadruth should both send delegates to the World Federation of Trade Unions Conference in Milan and observers to the Western Trade Unions Congress in Geneva. This last resolution was adopted and it was agreed that Histadruth should send representatives to both meetings, as proposed, where they should plead for the unity of the Labour Movement. If the breach between the two organisations were not healed by Histadruth's pleas, it would be left to the Executive of Histadruth to decide on future policy. This decision is,

of course, in line with the Government's declared policy of neutrality between West and East.

8. The leanings of Mapam towards the Soviet Union in international affairs were further revealed over the question of sending a message of congratulations to the Chinese Communist army on the capture of Shanghai. When the Steering Committee announced its decision not to send such a message, Mapam members joined with Communist delegates in singing the "Internationale" in protest.

9. Another political discussion arose out of a resolution proposed by Mapai strongly criticising the ban on emigration from and the outlawing of Zionism in Roumania and Hungary. Mapam countered with a resolution thanking the Eastern European countries for their important aid to Israel and complaining against the ban on emigration only in mild terms. Both resolutions were referred to the executive and the final text has not yet emerged.

10. Press comment on the conference has been of considerable interest. With the exception of *Davar*, the Mapai paper, no serious attempt has been made to conceal the seriousness of the split between the two wings of the Labour Movement. Moderate papers felt obliged to state that, although the differences in internal policy were not so substantial, there could be no possibility of bridging the gap between the two parties. The Mapam journal *Al Hamishmar*, on the other hand, ominously took the line of asking whether, although the opposition had hitherto fought with restraint, it would be able to restrain itself much longer. Taunts of reaction are beginning to appear and may be the prelude to the familiar asseverations of fascism and enemies of democracy.

11. That is, however, anticipation. But a split is revealed and it is evident that Mapam is taking, if indeed it has not already gone some way down, the path trodden in recent years by so many Left-wing Labour Parties elsewhere. Its progress will be carefully watched.

12. I am sending copies of this despatch to B.M.E.O. and to His Majesty's representatives at Cairo, Washington, Moscow, Bagdad, Beirut, Damascus, Amman, Jedda and Jerusaem.

I have, &c.

A. K. HELM.

E 7674/1015/131

No. 13

ACTIVITIES OF IRGUN ZVAI LEUMI

Anniversary of the "Altalena" Incident

Mr. Helm to Mr. Bevin. (Received 23rd June)

(No. 17)
Sir,Tel Aviv,
15th June, 1949.

A feature of Tel-Aviv which strikes one forcibly on arrival, but which later falls into the general background, is the battered burnt-out wreck of the *Altalena*, the ship from which the Irgun Zvai Leumi unsuccessfully attempted on 23rd June, 1948, to unload munitions for their own use. The public were reminded of that critical and dramatic incident when on 12th June Menahem Beigin and his followers celebrated its first anniversary by a large gathering on the shore near which the *Altalena* still lies beached. (That 12th June should be the anniversary of the 23rd is due to the use in Israel of a lunar calendar.)

2. The wreck lies a bare fifty yards out, embedded in the sand near the centre of the bathing beach of Tel-Aviv, almost under the windows of the hotel which is my temporary abode. In June 1948 the same hotel was full of United Nations officials and observers, who witnessed the clash between the Hagana and the Irgun. The first United Nations truce had come into force on 11th June. The *Altalena* had begun two days before to unload personnel and munitions at Nathanya further up the coast, but had been driven off after some fighting by the regular forces of the Government. It was highly inconvenient for the latter to allow such an open breach of the truce, which had been widely noticed, but they are believed to have been swayed still more by considerations of internal policy: they could not afford to stand by while a large consignment of precious munitions was landed for the use not of the Hagana but of a ruthless dissident army which was then helping to defend Israel against the Arabs, but might later if it grew too strong, use its arms to seize the reins of government. When, therefore, the Irgun Zvai Leumi forces on the *Altalena* and in the town attempted to establish a beachhead to bring ashore their supplies from the ship, which had been beached off Tel-Aviv during the night for that purpose, the Hagana again intervened.

3. A battle lasting several hours ensued, ending with the defeat of the Irgun. The ship caught fire and was shattered with

internal explosions. About seventeen men of Irgun were killed and thirty wounded; some swam ashore and avoided capture. Among the latter is said to have been Beigin himself, the commander of Irgun: he had been in hiding for years and only emerged in public two months later at Jerusalem. For several days the situation at Tel-Aviv was tense. There were Irgun concentrations in the town, but the Hagana increased its own concentration, arrested several hundreds of people and closed the Irgun offices. The two Revisionist members of the Provisional Government resigned, but the National Council backed the Government with a large majority vote and the two ministers withdrew their resignation. The Irgun Zvai Leumi had lost the day.

4. From then onwards measures to liquidate the organisation as a separate military entity were progressively introduced, and despite much virulent propaganda and several further incidents, those measures were finally successful. Menahem Beigin is now the leader of fourteen deputies forming an active minority party in the Knesset, with nearly 50,000 supporting votes in Israel. The liquidation of the Stern Gang occurred in its turn. The at least temporary disappearance of a factor so familiar to our mandatory administration, the terrorist underground, redounds to the credit of the new régime whose main present preoccupation in the field of civil order is the growing lawlessness among recent immigrants.

5. Menahem Beigin commemorated this (for him) melancholy anniversary by gathering some hundreds of Heruth Party members, and onlookers on the spot where, according to his newspaper, on the orders of "crazy and malignant officers," "the ship of arms and salvation was murdered on the threshold of the country, while bringing reinforcements and fighting men for the besieged people." Tribute was paid not only to those who died in the clash at that spot, but also to twenty passengers from the *Altalena* who subsequently fell while serving in the Israel army. Two wreaths with the inscriptions: "To those who brought arms for liberation and fell at the hands of Cain, Eternal Glory" and

"To the *Altalena*, in memory of her arms, her heroes and her victims, from ex-members of L.E.H.I." [i.e., the Stern Gang], were placed on pontoons which were floated out to the ship. Beigin reviewed groups representing the "Betar" Revisionist Youth Movement and evidently in no mood of defeat declared that:—

"The *Altalena*, with her arms, immigrants, victims and heroes, will live in our hearts for ever. The hand of the arrogant which was raised against them shall be cut off. Justice and truth shall be victorious. Our full triumph shall surely come."

6. Similar sentiments were briefly expressed in slogans painted on the neighbouring walls. But a number of hostile

slogans were painted over them or beside them. The chief of these overshadowing the ceremony was a gigantic inscription in white all down the side of the wreck itself, which it may be hoped expressed the feeling and hopes of the majority: "Heruth! The *Altalena*'s end is your end."

7. I am sending a copy of this despatch to the British Middle East Office in Cairo. I have, &c.

A. K. HELM.

P.S.—20th June.

The Israel Government has to-day given its answer to Mr. Beigin's demonstration by announcing that the wreck of the *Altalena* is to be demolished forthwith. I notice this afternoon that work has in fact already begun.

A. K. H.

E 7396/1023/131

No. 14

FIRST FOREIGN AFFAIRS DEBATE OF THE ISRAEL
PARLIAMENT

Review by the Israel Foreign Minister

Mr. Helm to Mr. Bevin. (Received 16th June)

(No. 87)

Tel Aviv,

(Telegraphic)

16th June, 1949.

Israeli Parliament's first foreign affairs debate was opened 15th June by Minister for Foreign Affairs and will be resumed on 20th June. Despatch will follow on its conclusion.

2. Minister for Foreign Affairs began by review of past year and said that complete deadlock had been reached at Lausanne. For this Arabs not Israel were responsible as they were not ready to discuss general peace but only refugee problem. Ministers then outlined Israeli position on important questions of boundaries, refugees and Jerusalem.

3. *Boundaries*.—Israel was ready to negotiate with any country with which armistice had been signed, but negotiations must be part of general peace talks. Israel could not agree to continued occupation of any Israeli territory. Syrian armistice would therefore not be signed unless it provided for Syrian withdrawal. As regards Gaza strip and Arab occupied

territory west of Jordan, Israel would prefer establishment of independent Arab State but was ready to discuss with Arab countries. He twitted Arabs about efforts to return to boundaries of 29th November, 1947, and said that whoever encouraged Arabs to believe that they would recover by negotiation what they had failed to obtain by war, was undermining chances of successful peace negotiations.

4. *Refugees*.—In early days of statehood, Israel had been ready to accept Arab minority of 45 per cent. under peaceful conditions. Arabs had broken peace, Jewish State had developed on other lines and clock could not be put back. It would be suicidal from security standpoint to allow masses of Arabs to return. But Israel would help to settle Arab refugees elsewhere. Would pay compensation for abandoned property and would facilitate reunion of families. Perhaps Israel would also contribute by accepting a further number. But nothing could be done before peace. Minister disclosed that to-day

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there were approximately 165,000 Arabs in Israel compared with 92,000 counted in last November census. Increase arose from territory annexation, boundary revisions, and return of families and communities considered peace-loving and trustworthy.

5. Jerusalem smear campaign has been started to effect that Jews were desecrating Christian Holy Places. Minister asked

Vatican to make enquiries and to warn those responsible not to abuse religion. Israel Government undertook to guarantee religious freedom and was ready to give United Nations right of supervision over Holy Places of Jerusalem. But there could be no Jewish life in Jerusalem without State of Israel and a State of Israel without Jerusalem was inconceivable.

E 7953/1016/131

No. 15

CONDITIONS IN ISRAEL

Mr. Helm to Mr. Bevin. (Received 30th June)

(No. 21. Confidential)
(Light)

Tel-Aviv,

24th June, 1949.

Sir,
In my despatch No. 3 of 23rd May, I tried to convey to you my first impressions of Tel-Aviv. I now have the honour to attempt more seriously to assess the Israel scene against a background of five weeks' acquaintance.

2. The impression remains that Israel is intensely alive and that a dynamic force is at work which must be reckoned with in any present consideration of Middle Eastern affairs. Its people ooze confidence in themselves and in their mission. But difficulties are crowding in upon them and they should be beginning to realise that in the sphere of world politics they have few friends among the nations. The fruits of United Nations membership have so far been disappointing.

3. Not the least of their difficulties arises from their character, one disturbing feature of which, it seems to me, is their deep inferiority complex. This shows itself in the usual ways but more particularly in their almost pathetic pride in all their works—a pride not lessened by the ease with which they attained statehood. "The War" is to them the events of a year ago, in regard to which there is still little perspective and minor actions are given the appearance of major military victories. From this has developed an attitude of arrogance and intolerance towards the feelings of others which has been mirrored in Israeli actions and utterances of more recent months and which, if

unbraked, might have become an immediate danger.

4. Israeli utterances are still extravagant. But sobering influences are at work and are beginning to show their effect. Above all is this true in the economic field, in which it is now publicly admitted that a long steady effort will be required if the new State is to have any hope of stability. The economic fabric is thoroughly unsound—exports are running in value at about one-fifth of imports, wages and prices are so high that, in the absence of export subventions which she cannot afford, Israel's manufactures cannot hope to compete in world markets, and it is announced that of 65,000 acres of orange groves in 1939 only 30,000 can be restored, and that even of these only 12,000 acres will survive unless immediate help is given. In comparison with this collapse of what should be Israel's greatest product, attempts to build up new light industries, such as the making of false teeth, mean little. Equally, and in spite of steady propaganda to the contrary, foreign and particularly American capital is chary of embarking on investments whose future from a strictly business standpoint must in present circumstances be highly questionable.

5. The fact is that to-day the State of Israel is dependent on subscriptions and other financial aid from overseas. The United States is the principal provider, with South Africa an important second. There are, of course, many countries to-day which are similarly dependent, though in a lesser degree. Also, these countries at least have basic resources (industrial,

mineral, agricultural or other) which provide a reserve against even the hardest times. Israel, though a State, is not yet a country. It is an artificial creation, largely lacking reserves. Not only so, but its population has a standard of living and of wages far above that of surrounding countries whose reserves are at least no less. Moreover, it is preponderantly an urban and not a peasant population.

6. But Israel, practically devoid of the internal reserves just stated, already finds foreign financial aid inadequate and that at a time when the volume of that aid is much more likely to fall than to rise and when she does not provide a promising field for financial investment. The latter will not be forthcoming without encouragement and guarantees, necessities which themselves circumscribe the Government's liberty of action. Yet, well aware of the crisis which confronts them, the Government and people of Israel stubbornly refuse to tackle realistically their major financial liability, that of mass immigration. Probably, after all that has passed, no Israel Government could survive if it did. But 136,000 fresh immigrants have arrived in the first five months of 1949 and it is a liability which brings other enormous ones in its train—housing (how the enthusiastic demolitions of a year ago must be regretted to-day!), resettlement, education and so on. Simultaneously the economy of the new State must be built up on foundations which, as shown by the orange grove statistics, are at best shaky.

7. This does not, however, mean that the Israel Government are standing idly by. They are arousing the people to the economic danger and to-day the people, Parliament and Government, if not some organs of the press, are much more concerned about internal than about external affairs. Britain and British austerity are generally regarded as pointing the way for Israel. This was the theme running through Israel's first budget speech last week—the sketchy budget providing for great increases in taxation has been withdrawn for further consideration. It is also the key-note of Israel's month-old austerity campaign which is claimed already to have reduced the cost of living by 12 points. In fact the reduction from the point of view of deflation is more apparent than real, for my own experience is that, though one pays a little less, one receives much less. But even if the reduction were real and much greater than it is

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claimed to be, it would be no remedy if not combined with greatly increased production. Of this there is no sign. Instead, profiteering is rampant, inflation is real, and economic stability is far distant. I cannot myself see how it can possibly be achieved simultaneously with mass immigration. Without the latter it might be, but only I think after a long struggle and then only if trade can be developed with neighbouring countries and if in the meantime adequate finance continues to be forthcoming from abroad.

8. These considerations are naturally reflected in the internal political situation. As you know, the Government is essentially a coalition of Mapai (Socialist) and the religious *bloc*, with the extremist Heruth (ex-Irgun) and the Conservative General Zionist Party to the right and Mapam (Left Socialist) and Communists to the left. The last *per se* do not matter much and draw their main support from the Christian Arabs of Nazareth. Nor does Heruth. The General Zionist Party, which represents business interests and private enterprise, is influential but not by itself a real force. The Government enjoys a wide measure of public support and, if conditions were more or less normal, its position could be regarded as secure. But, as things are, and if confidence should suddenly collapse, it would come under heavy fire from Mapam. Since I wrote paragraph 10 of my despatch under reference, the gulf between the two has widened, initially as a result of the conflict which revealed itself at the Histadrut conference (my despatch No. 11 of 13th June), and all hope of the two working together seems now to have disappeared. Mapam has become the real opposition and would have claims to head an alternative Government, more especially if in the crisis it were to attract a proportion of Mapai supporters. The effect of such a change would be radical, for, whereas Mapai seeks to mould itself largely on the British Labour Party, Mapam seems to me to be attracted much more in the direction of Moscow.

9. Thus, although both Mapai and Mapam proclaim a policy of neutrality in foreign policy, the play of internal politics is of great importance *vis-à-vis* the outside world. Proclamations of neutrality are doubtless sincerely enough meant by both parties. But it has seemed to me that, whereas such declarations by Mapam have a pro-Russian tinge, those by

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Mapai are inclined the other way. I do not by this suggest that the present Government has any intention of positively identifying itself with the Western democracies or with any regional pact formed under their auspices. But I do suggest that it knows that it cannot alienate Britain and the United States. I should be less sure of a reinforced Mapam. In the present serious internal situation Mapam have a promising enough field for exploitation should they so desire, and it may be that this difference of approach affords one, but not the only, explanation for the so far surprisingly mild Government reaction to recent anti-Zionist measures in Eastern Europe and for the correspondingly violent press fulminations against America in connexion with the Arab refugee problem. Certainly Mapai could hardly want at this time to present Mapam with a case for contending that the present Government was an anti-Soviet American puppet.

10. I have, however, no evidence to suggest that Mapam yet desires to force the issue or that the political parties are otherwise than essentially united as regards foreign affairs. If it were not so, the situation of Israel would indeed be desperate. The new State needs and wants peace. It is beginning, but only beginning, to realise that the days of easy victories are over and that if Israel is to receive it must also give. At best the giving will be slow and grudging but in the last resort

there can be no escape. The Arab States are hostile, Moscow is cold, Washington has gone cool, respectful eyes are directed towards London, and Paris is no longer altogether ignored. The prospect cannot be pleasing to the Government of Israel. But it should be salutary if only the Israelis would take themselves less seriously, remember that they are a one year and not a four-thousand-year old State, and really set about trying to live with their neighbours. For this last, at least in their own eyes, they have the will. Whether they have yet the right spirit and whether statesmanship is a Jewish quality are quite other matters. What is certain is that they cannot solve their difficulties in isolation. To my mind, and granted the existence of Israel, the cardinal remedy in the interest of Israel, of Middle Eastern stability and of ourselves is a closely concerted Anglo-American policy towards Israel, firm but not unsympathetic and above all unfaltering. And I feel that the time is fast coming, if indeed it has not arrived, when we rather than the Americans are the better qualified to play the lead in such a policy.

11. I am sending copies of this despatch to the British Middle East Office, Cairo, Washington, Moscow, Cairo, Bagdad, Damascus, Beirut, Amman, Jedda, Jerusalem and the United Kingdom Delegation, New York.

I have, &c.

A. K. HELM.

E 7986/1023/131

No. 16

ISRAEL FOREIGN POLICY

Mr. Helm to Mr. Bevin. (Received 30th June)

(No. 136) Tel Aviv,
(Telegraphic) 30th June, 1949.

My telegram No. 93: Foreign Affairs debate.

Israeli Assembly last night adopted by majority foreign affairs resolution which—

- (a) Expressed satisfaction at Israel security membership of United Nations and gratitude to support of her candidature;

- (b) approved Israel policy as outlined in Minister for Foreign Affairs speech summarised in my telegram No. 87;
- (c) pledged support to "Government in its stand against all political pressure likely to affect frontiers, security of State of Israel and status of Jerusalem as an inseparable part of Israel";
- (d) deemed it first and foremost right of every Jew wherever situation to immigrate freely into Israel;

- (e) requested Government to continue to facilitate immigration into Israel of all Jews desiring to come from any country whatsoever.

2. Resolution was a block one sponsored by coalition and secured support of coalition parties. Five block resolutions by other parties were defeated. Report by bag.

E 8289/1023/131

No. 17

ISRAEL FOREIGN POLICY

Debate in the Knesset

Mr. Helm to Mr. Bevin. (Received 7th July)

(No. 27)
(132/4/49)
Sir,

Tel Aviv,
2nd July, 1949.

With reference to my telegram, No. 87 of 16th June, summarising the speech with which the Israel Minister for Foreign Affairs, Mr. Moche Sharett, opened a debate on foreign policy in the Knesset, I have the honour to inform you that the ensuing debate on 15th, 20th and 29th June, brought to light some interesting points regarding the policy of the various political parties. It ended with the adoption of a cautiously worded resolution sponsored by the Government majority, which I have reported in my telegram No. 136 of 30th June. Other parties tabled parallel resolutions, but the Government coalition countered by insisting on a block vote on each entire text and they were all rejected. It is thus impossible to say what measure of support would have been forthcoming for some of their clauses taken in isolation. But they remain a useful and fully authentic formulation of the party approaches to foreign problems.

2. Nearly all speakers took it as an established fact that strong American pressure was being brought to bear to induce Israel to make concessions to the Arabs. All who mentioned it protested and complained: all declared it ill-inspired, harmful and not capable of influencing the policy of Israel. Yet it was taken very seriously. It formed the background of the debate and Mr. Sharett's speech was mainly a reply to it. There were two points on which the Government appeared to receive the unanimous support of all parties. They all objected to the Arab refugee question being isolated from the general problem of peace and resettlement; and they resented what they felt to be its exploitation as a means of international political pressure.

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3. Party reactions to the "Gaza plan" were not without interest. The Mapam spokesman, Mr. Riftin, was definitely in its favour. He did indeed agree that the Israel Government should not consent to such a plan "under pressure from imperialist Governments," or before the signature of peace treaties with the Arab States. But he considered the presence of the Egyptians at Gaza to be not only an Egyptian threat to Israel but an American one, too; moreover, the existence of this separate area could serve as an invitation to "fantastic corridor schemes" and he was strongly opposed to allowing Transjordan to annex any Arab lands in Palestine. He therefore recommended that the Gaza strip, with its refugees, should be included in Israel territory. This would not only remove the foreign threat, but would be a constructive and serious contribution to the solution of the Arab refugee problem over which so many people were shedding crocodile tears at international conferences. He appealed to the Knesset to be "sensitive" to the sufferings of the Arab refugees, whom he described as mostly harmless peasants and workmen, victims of imperialist intrigue.

4. The resolution unsuccessfully proposed by Mapam at the end of the debate included the following among its twelve clauses: "The Knesset approves the Government's attitude towards annexation of the Gaza-Rafa coastal strip, together with its population; Israel will regard it as remedying an injustice done to her and, at the same time, as an honourable contribution by Israel towards the solution of the refugee problem." This clause was rejected with the rest, but taken separately it might well have been adopted. It is, therefore, a fairly safe assumption that should the Government wish at any time to work openly for adoption of the "Gaza plan"

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it can count on wide support. Even Beigin, head of the former Irgun Zvai Leumi terrorists and now leader of the "Freedom Party" (Heruth), appeared to favour its final adoption. (Incidentally, I have it from Dr. McDonald himself that Mr. Beigin rehearsed his speech to the American Ambassador the evening before it was delivered.) Though he complained that the Government had been too ready to toy with it on American initiative, he did imply that within the general framework of a peace settlement and especially if compensation for war damage was claimed from Egypt in return, the plan was not unacceptable.

The Mapam, Heruth and Communist Parties were on common ground in their marked hostility to Transjordan, which occupied a prominent part in their speeches and draft resolutions. The presence of the Arab Legion in Palestine is regarded by them as a British as well as an Arab threat. They are opposed to the acquisition of any Palestine territory by Transjordan. Heruth protested against the armistice agreement on the ground that the very existence of a Transjordan Government was something which Israel should not recognise, and the Heruth resolution protested against the Anglo-Transjordan treaty and stated that Israel would question its legality under international law and the United Nations Charter.

6. For different reasons, both Mapam and Heruth opposed the evacuation by Israel of any territory now occupied by her, and also the cession of the rest of Palestine to any Arab State. But whereas Heruth claimed that the whole of Palestine should come under Israel sovereignty, Mapam expressed "sympathy with democratic Arab forces which aspire to establish in the remainder of Palestine an independent State," bound to Israel by a pact of economic union. With regard to Jerusalem, these two parties both proclaimed that the whole city should be included in Israel.

Mapam was willing to accept some form of international control over the Holy Places, while Heruth declared that Israel will herself assure their security and free access to them by "suitable agreements with the authorities concerned."

7. There was a large measure of agreement that Israel should resist all attempts at invoking the United Nations Partition resolution of 29th November, 1947, as a basis for demands that any part of the territory now held by Israel should be ceded to the Arabs. A clause to this effect was included in a draft resolution proposed by the General Zionist Party.

8. Finally, there was a good deal of protest against the treatment of Zionism and of would-be emigrants to Israel behind the Iron Curtain. The Mapam resolution avoided this issue. The Communist deputy, Wilner, was taken to task, all the more so as his two colleagues, Wikunis and Toubi, who are at present on tour in Eastern Europe, are alleged to be making statements in support of the policy of the satellite Governments concerned. Wilner denied the allegation and made what was, in the circumstances, the shrewd remark that some of his critics were themselves in favour of slowing down the intake of immigrants, but were afraid to say so. In a draft resolution which he tabled, he invited the Knesset to declare immigration essential to Israel, record the fact that most immigrants come from Eastern Europe, and state that the "lack of full co-ordination" between Israel and the Popular Democracies on the matter of immigrants was caused by the present policy of Israel towards those countries.

9. I am sending copies of this despatch to B.M.E.O., Cairo, Amman, Beirut, Bagdad, Damascus, Cairo, Jerusalem, Washington, and the United Kingdom Delegation, New York.

I have, &c.

A. K. HELM.

E 8857/1054/131

No. 18

CONVERSATION BETWEEN HIS MAJESTY'S MINISTER AT TEL-AVIV AND THE ISRAEL MINISTER FOR FOREIGN AFFAIRS

Israel and the Middle East

(Communicated by His Majesty's Minister at Tel Aviv; Received 21st July)

I had suggested some days ago to the Israel Minister for Foreign Affairs that in view of my impending departure for London, and of his knowledge that I would

be attending a Middle East conference, he might like to have something to say to me. He received me yesterday afternoon. The conversation lasted two hours. Mr. Comay

and Mrs. Sasson, respectively heads of the British Commonwealth and Middle Eastern Divisions of the Ministry, were present throughout and occasionally took part. It was clear that Mr. Sharett's remarks had been carefully prepared, and it is perhaps worth noting that they were made after a series of Cabinet meetings over the past week at which Israel representatives at Lake Success and to the Conciliation Commission at Lausanne, as well as the Israel Ambassador in Washington, had been present.

2. Mr. Sharett referred to the coming conference and expressed satisfaction that I was going to be there. I remarked that I should have preferred to have had more experience of Israel than two months in order to be able to speak more authoritatively. He agreed, but said that it was infinitely better that the conference should be held now rather than some months ago. Now Israel's position had been established, her political orientation defined, and Anglo-Israeli relations were getting towards a normal basis. These developments were important and the Israel Government wished nothing done which would retard progress. Before speaking on more general lines, there was one point which he had had in mind to raise for some time because it was calculated to retard that development and he would have spoken to me about it even if I had not been going to London. That question was:—

(a) British Supply of Arms to Egypt

3. The Israel Minister in London had spoken to Mr. Burrows on instructions from here. The Israel Government felt strongly that the decision of His Majesty's Government to supply small arms to Egypt was inimical to good relationship. They found it difficult to accept Mr. Burrows' explanation that the supply extended only to small arms. Once arms were supplied there could be no guarantee that they would be used only for internal security purposes. Against whom were the Egyptians wanting arms anyway? Moreover, Mr. Burrows had said that quantities of heavier munitions were in cases but were not being supplied. Would not the Egyptians, who did not conceal their hostility for Israel, feel that the small arms were merely the first instalment? Moreover, arms supplied for internal security purposes found their way into strange places. The Minister had had to take up with the French the

matter of arms supplied to Syria. Only the other day two Syrian soldiers had crossed the frontier into Israel and the rifles they carried were of French 1948 manufacture. Further, Egypt was receiving arms from other countries besides the United Kingdom and the only conclusion the Israelis could draw was that Egypt was being helped to threaten Israel. Mr. Sharett said that the seriousness of the position could not be minimised, for the Israel Government were deeply perturbed. Developments such as this must rule out any possibility of bridging the gap between Israel and the United Kingdom.

4. The Minister said that, though he was not making an entirely formal representation, he was speaking with great seriousness and asked me to represent what he had said to His Majesty's Government. I said I would do so. At the same time I said I thought he was unfair in putting His Majesty's Government alone in the dock in this matter as I understood that arms were being supplied all round. Was not Israel getting arms? And did Israel use arms for internal security? Further, did she contemplate abandoning their use for internal security? Mr. Sharett evaded the points and remarked that Israel was only too ready to enter into peace discussions, for she wanted general settlement.

(b) Glubb Pasha

5. The Minister, at Mr. Sasson's prompting, then said there was a connected question which, though less important and less significant, was also militating against the development of good Anglo-Israeli relations. He had before him a collection of press and bulletin cuttings and referred to reported utterances of Glubb Pasha which, Mr. Sharett said, "breathed not goodwill but war." Glubb Pasha was a responsible officer, holding a high position. Technically, he was not in the employment of His Majesty's Government. But he could not divorce himself from his British position as commander of the armed force of a State with which the United Kingdom was in close alliance. What he might say was therefore regarded as of great importance. Mr. Sharett quoted from the Transjordan semi-official newspaper *Al Urdur* according to which Glubb Pasha had urged the Mukhtars in Arab Palestine to stick to their arms and be ready for the next round. On another occasion he was reported as having said that, if hostilities were

renewed, the Jews would be swept into the sea. There were lots of others, but Mr. Sharett referred specifically to an interview given by Glubb Pasha to the correspondent of the American newspaper *Alliance* which had been bellicose. (I had already seen all these quotations and sent the interview to Mr. Burrows in my letter No. 108/5/49 of 11th July.) Mr. Sharett felt that, if we really desired tranquillity in this part of the world, Glubb Pasha should not make such inciting statements. I promised that I would report what he had said.

(c) *Armistice with Syria*

6. The Minister said that agreement had practically been reached and that he hoped that a document could be initialled on 18th July, the final armistice being signed probably on 20th July. It was, however, always possible that the Syrians would make difficulties at the last moment.

(d) *Position of Israel*

7. Mr. Sharett then passed to more general matters. It seemed to me that from here he was clearly speaking according to his brief. I rarely interrupted him. He began by saying that Israel was an established fact which we had accepted. He was not actuated by suspicion, but he wondered whether His Majesty's Government pursued their acceptance of Israel to its three logical conclusions; which he summarised under (a) territory, (b) relations with surrounding world, and (c) British orientation. On all three he felt that perhaps His Majesty's Government was still actuated by what he would call wishful thinking. The analogy was not a complete one but he referred to Mr. Chamberlain's efforts with Hitler in 1938-39. Mr. Chamberlain had been absolutely sincere, but he had been misguided: his wishful thinking had let him down. But out of it had come realism and that realism was very useful to His Majesty's Government now in their relations with Russia. He only wished that His Majesty's Government would apply this same realism to the Middle East. He did not suggest that His Majesty's Government were hostile to Israel. But perhaps they still had reservations about it and perhaps there was a tendency to hope that Israel would not make good. To-day probably this applied more particularly in the economic field. There was an acute economic crisis, and it would tax all the energies of the Israelis. But it would be a great mistake to underrate the capacity

of the Israelis to adapt themselves to circumstances. They had effected a revolution, and revolutions "tried men's souls." The Jews would stand up to the trial. They were tenacious, hard-working, and would withstand any strain. The Minister did not regard them as a chosen race or as better than some other peoples. Indeed, he could not hope that the Israelis would put up with austerity and trial any better than had done the British people in the last ten years. If the Israelis reached the British standard he would be very satisfied. They had suffered and adapted themselves for centuries: they could go through difficulty for a few years more. The Romans who destroyed the Temple could not have believed that 1,900 years later the Jews would still be in Palestine and not only so, but that there would be a Jewish State. That State would certainly survive.

8. The Israel Government were bent on doing everything to lead the Israel people out of their present difficulties—austerity programme, lowering of cost of living, reduction of wages, development of production, and so on. Peace with the Arabs would be a very important contribution to Israel development. It was not, however, everything. The Israelis felt secure enough under the armistices, which he hoped would be crowned next week with that with Syria, and, though they wanted peace, they could go on. He saw the Arab problem from three standpoints—Arab unity, contiguous frontiers and security. The first was he thought unreal, though His Majesty's Government seemed to pursue it. They did want security in this part of the world, but he was doubtful whether they were going the right way about it. As regards contiguous Arab territories, the main problem to-day was that of the configuration of Israel, i.e., Israel's acquisition of the Negev. He suggested that, though it might be contrary to the views of His Majesty's Government, this was not a first-rate tragedy. Perhaps, indeed, it was salutary, for it broke the connexion. As a result, the Arabs might be made to realise better their dependence on others and so become less arrogant. The real question was whether Israel with the Negev would be an isolated State or a State integrated with its neighbours. He had no doubt about Israel's wishes in the matter: she must be integrated. (Here I interposed to ask how this bore on Israel's declaration of neutrality. Mr. Sharett thanked me,

but said that he had it in mind to speak of Israel's neutrality and would do so later.) He went on to say that, if Israel were integrated, her presence in the Akaba area would be a good thing. It would create an awareness of interdependence. Moreover, Israel was convinced that her access to the Gulf of Akaba was essential for herself as well as being an asset for the Middle East. This was a deep conviction and would not readily be given up. The Israelis would struggle to defend it. Here he explained that by "struggle" he did not necessarily mean war, but that he did not, on the other hand, exclude the possibility of war.

9. The Minister had no doubt that our Chiefs of Staff felt that Israel's access to the Gulf of Akaba cut across their strategic plans. But in these days of jet and very heavy aircraft that he thought was not a decisive point. I pulled him up here remarking that in my then ignorance I could speak freely because I had no information about our strategic plans. But from my experience in Angora during the recent war, and as he himself must know, lines of communication through Palestine had been of the utmost strategic importance to us. That was how it had seemed to me as a layman. The military might well think otherwise. But from my layman's knowledge it seemed to me that, if, which God forbid, hostilities should develop to the north, the position of Palestine would be of the greatest importance. Mr. Sharett agreed, and, speaking also as a layman and without knowledge, said that in 1946 he and others had tried to see the Chiefs of Staff in London in order to discuss how Jewish Palestine could fit itself into their general pattern. Mr. Alexander and Air Marshal Tedder, to whom they had addressed themselves, had been unable to see them though the Arab leaders had been duly received.

10. Mr. Sharett went on to say that it would be difficult for Anglo-Israeli relations to develop well if the conception of a unity based on the Arabs alone were maintained. Israel was a fact and it seemed to him that the future lay not in fostering Arabism but in co-ordinating Middle Eastern interests. This and not Arabism should be the common denominator. To stress nationalism was bad. The solution lay in closer economic integration. The interests of all should be harmonised. He was not formalising and he was not suggesting a pact as such, but the future seemed to him to lie along the lines of this harmonisation of common interests. If the

fostering of Arab unity continued, there could be no room in it for the Jews.

(e) *Israel Neutrality*

11. The Minister then passed to a discussion of Israel's declared policy of neutrality. He began by saying that neutrality had its assets and liabilities. At the present time Israel wanted to develop stability and peace. She did not want to have to choose between the major groups. I suggested that, though this might be so, the time seemed to come in the history of every State when it had to make a choice. Mr. Sharett agreed but said such a choice would cause great disturbance for Israel. If, however, she were forced to choose, there was no doubt about the way she would go. She was a democracy in the true sense and her sympathies were with the Western democracies. She had no sympathy with democracy of the Soviet type. There were, however, many Jews within the Soviet orbit and for what it was worth—and at my prompting he indicated that he attached little importance to it—the Soviet Government had helped Israel to statehood. Israel, therefore, wished to be neutral, but not in the Swiss sense. Otherwise, she would not have been so anxious to become a member of the United Nations. This neutrality precluded the possibility of Israel becoming a Soviet base—that could be completely dismissed. Equally, however, it precluded Israel becoming a military base for us. On the other hand, her "so-called neutrality" did not preclude economic co-operation and the building up of common interests. As he had said, her sympathies were with the Western world. Not only so, but she depended on the Western world. It was there that Jews were not only able to contribute assistance to Israel but were free to do so. Neither was the case in the Soviet world. Israel would never sever the ties linking her with the Jewish communities in the United States and in the British Commonwealth. And she would never adopt a policy which would cause these communities, through their loyalties to the lands of their birth, to contemplate hostility to Israel. This did not mean that Israel would always give 100 per cent. support to British and American policies—in present circumstances they had too many hostages in Eastern Europe. He would define Israel's neutrality as meaning that "Israel would not formally and blatantly join either *bloc* against the other." He

repeated that it was not Swiss neutrality. On occasions Israel might vote with the Soviet Union against Britain or America. And in present circumstances she would not serve as a base for one against the other. There was, however, no doubt about Israel's ultimate orientation—it was with the Western democracies, with which she was closely connected and from which she drew her inspiration. In United Nations affairs it would be more correct to define her attitude as one of independence rather than of neutrality. She wished good relations with us but these must not trespass on Israel's independence.

(f) *Transfer of £1,500,000 of Jewish Subscriptions in United Kingdom.* (Foreign Office telegram No. 1, Camer, of 29th June)

12. In this connexion Mr. Sharett said he wondered whether His Majesty's Government realised the importance of their decision to allow this transfer. He said that its effect had been very great indeed. The fact that His Majesty's Government had released this money in present circumstances had greatly impressed not only because of the act itself but because it showed that His Majesty's Government were not afraid of the link between British Jews and Israel. He realised that there were those who thought that the establishment of Israel would create a conflict of loyalties for Jews abroad. With this he did not agree. Rather he felt that in measure as Jews happily established in the United Kingdom and America were able to concern themselves in the affairs of

Israel, so would Israel bind herself ever more closely to these countries.

(g) *Arab Refugees*

13. Before I left I raised the question of Arab refugees. The Minister said that so far some 25,000 had come back to territory at present occupied by Israel. The number affected by last week's decision about the return of wives and children was doubtful, but he thought that it might be about 10,000. In addition, if the Arabs would embark upon an all-round solution of outstanding difficulties, Israel would if necessary be prepared to make a further small contribution. In reply to my specific question, Mr. Sharett said that these contributions referred to would be additional to any financial compensation which might be arranged.

14. Speaking very confidentially, Mr. Sharett said that the Israel Government had in mind when the Lausanne Commission resumed its sittings to state at a suitable moment that, if the Arabs should be ready to sit down formally round the table to discuss the question of refugees as part of a general settlement, the Israelis would not mind the refugee question being taken first and then putting their cards on the table. That discussion and any agreement arising out of it must, however, be an integral part of an over-all solution. Mr. Sharett requested that this information be kept very confidential as naturally the Israelis would like to choose their own moment for announcing their offer.

A. K. HELM.

16th July, 1949.

E 9795/1025/131

No. 19

ARAB REFUGEES

Debate in the Knesset

Mr. Crowe to Mr. Bevin. (Received 11th August)

(No. 71) Tel Aviv,
Sir, 5th August, 1949.

With reference to my telegrams, Nos. 278, 280 and 282 of 2nd and 3rd August, I have the honour to report on the foreign affairs debate which took place in the Knesset on 1st and 2nd August.

2. The debate was originally arranged for discussion of the Syrian Armistice, but in the event it turned largely round the report that the Government had notified the State Department of their readiness to permit the return of 100,000 Arab refugees and had instructed the Israel Delegation

to make a similar communication to the Conciliation Commission at Lausanne. The Minister for Foreign Affairs himself introduced this further subject when he opened the debate with the statement summarised in my telegram No. 278 and of which I enclose a full translation. Though the figure of 100,000 displaced Arabs was neither confirmed nor denied in this statement, this was the figure generally understood by the Knesset to have been offered.

3. In the ensuing debate some speakers categorically opposed any such concession. In particular, Heruth spokesmen objected on grounds of security and doubted whether the Arabs would be better off in Israel. They would constitute a potential Fifth Column. Heruth demanded a referendum on this question and maintained that the right solution was for Israel to take over the whole of Palestine with its Arab population. They also criticised the Syrian armistice as leaving the northern frontier indefensible. The general Zionist speakers also objected in principle on economic and security grounds to the Government's offer to accept more refugees, and criticised both the timing of their announcement and their submission to United States pressure. Though most representatives of the religious bloc spoke in support of the Government, one of their spokesmen maintained that only dependants of Arabs already domiciled in Israel should be re-admitted.

4. Other critics agreed that Israel should make a contribution of this kind towards the settlement of displaced Arabs, but felt that the Government had mishandled the matter. Mapam spokesmen were favourable to the idea of admitting Arabs, but criticised the timing; they wished the Government had acted on their own initiative instead of under American pressure. Had they done so, they could have won Arab friendship. As it was they appeared to be acting unwillingly, and still further concessions would probably be forced on them. A very similar line was taken by Mr. Mikunis, the Communist leader, who maintained that the Arabs had a right to return as a matter of justice. With regard to the Syrian armistice agreement, Mapam objected that too much authority was given by it to United Nations representatives.

5. Though most Mapai speakers supported the Government's policy in principle, some of their most prominent spokesmen were critical of its handling. One of the Mapai whips, Mr. Grabowsky,

thought the Government had made a tactical error in coming out too soon with such concessions. Another influential Mapai deputy, Mr. Liebenstein, while supporting the Government's initiative, considered that it should have been accompanied by two demands: that dependants of Jewish families detained in Arab countries should be allowed to come to Israel and that funds for development should be allocated to Israel by the United Nations. One Mapai deputy, Mr. Dayan, was definitely opposed to the Government. He maintained that Israel should be in no greater hurry to solve the Arab refugee problem than the Arab invaders who had given rise to it; that Israel's absorptive capacity was limited and that the Arabs were better off in Arab countries. With regard to the Syrian armistice, Mapai speakers had little or no criticism to offer: they supported the Government, as did also the spokesmen of the religious bloc.

6. Replying in a further speech on 2nd August, Mr. Sharett claimed that even if there had been no pressure from the State Department, there existed an Arab refugee problem to which Israel should be sensitive. It was worth while to pay the price proposed in order to open the way for an overall solution in which most refugees would be resettled not in Israel, but in the Arab world. He added that the Government should not be indifferent to the question of Israel's relations with the United States and should not miss this opportunity to promote understanding and relieve tension. As regards the timing of the announcement, he pointed out that the Government had only made the gesture after their previous resistance to pressure had eradicated from the minds of Israel's opponents the thought that she could take back all the refugees. That a limited number would be allowed back to Israel after peace was achieved, within the framework of an overall settlement, had been stated before several times. That was nothing new and implied no change of policy. Israel had now made a further step in the right direction. The next step was up to the Arabs: the Great Powers would know where now to apply further pressure. He admitted that the Syrian armistice agreement was in some respects less satisfactory than the others, but claimed that in other respects it was better.

7. The Prime Minister also replied to the debate. His speech was a broad review of the present situation in general justification

of the Government's past conduct of affairs and of their desire for a peaceful settlement. He gave no further indications of future policy, except that he reiterated his oft-repeated call for a Jewish-Arab alliance. The speech included three statements of particular interest:—

- (a) as reported in my telegram, No. 280, of 3rd August, the Prime Minister declared that not one of the weapons exhibited at the Army Day parade of 17th July had been in the country seventeen months ago;
- (b) with regard to American pressure, Mr. Ben Gurion pointed out that the aid of the five million Jews in the United States could not be over-estimated, and that if Israel earned the animosity of the United States she would be in danger of losing not only the assistance of that great Power, but also of its Jewish citizens, who would not be able seriously to oppose their Government;
- (c) he said: "We cannot conduct war even against countries which oppress us greatly out of consideration for the Jewish population of those countries," and by proceeding at once to discuss the advantages of the agreement with Egypt, he appeared to indicate that he had Egypt principally in mind.

8. The Prime Minister's speech was interrupted by a prolonged and tumultuous uproar on the part of the Opposition. In dealing with Heruth and Mapam contentions that the Government had nullified Israel's military gains and prevented further conquests, Mr. Ben Gurion claimed that he and his friends had for a number of years made secret preparations for defence which had saved the situation, while the Opposition had done nothing to warn the people. Heruth and Mapam were stung to the quick and pandemonium broke out. The Prime Minister stood his ground and repeated his reproaches, which caused more uproar. It eventually subsided and he was able to finish his speech with dignity.

9. The Prime Minister appears to have been seriously annoyed with the Opposition and to have deliberately provoked his critics. His remarks were not unbiassed and will have given real offence to many persons. But, despite these noisy scenes, the outcome of the debate showed no weakening of Government support. Two Opposition resolutions were heavily

defeated and the Government came through with a comfortable majority. Criticism came mainly from two opposite wings, neither of which had any real alternative to offer. The Heruth proposal that the whole of Palestine be taken over would, apart from anything else, present Israel with a security problem far greater than that connected with the Government's present offer, while Mapam and the Communists were at a disadvantage since they favour the return of Arab refugees and only object to its being conceded under American pressure.

10. Nevertheless, the Government's recent handling of the Arab refugee question has not on the whole been well received. In the first place, their proposals became known here through a foreign correspondent, Mr. Kenneth Bilby, of the *New York Herald Tribune*, and in the second, they have been trying to take two different lines for home and foreign consumption. For the latter they argue that their proposals are a constructive step forward, but for the former they argue that they have not changed their policy at all. There has been noticeable hesitation not only in public opinion as a whole, but in the Government coalition itself as to the desirability of making, at this moment and in this manner, a conciliatory gesture so completely at variance with the national instinct for self-preservation. The Government have taken a step which may prove a severe test of their authority. They appear confident of winning over public opinion in its support. But clumsy handling of publicity has given them a bad start, and the Prime Minister's provocative vehemence in the debate has not improved matters.

11. I am sending copies of this despatch to His Majesty's representative at Cairo, Jerusalem, Annam, Damascus, Beirut, Bagdad, Jedda and Washington, to the British Middle East Office in Cairo and to the United Kingdom Delegation in New York.

I have, &c.

C. T. CROWE.

Enclosure in No. 19

Statement made by the Minister for Foreign Affairs, Mr. Moshe Sharett, in opening the debate in the Knesset on 1st August, 1949

"The debate on the Armistice Agreement with Syria, on the agenda for this

session of the Knesset, has twice been postponed. Meanwhile there has been a new development in the course of events at Lausanne and I should like on this occasion to issue a statement concerning this development in order that members of the Knesset may have the opportunity, if they wish, to discuss both matters together.

The new development on which I should like to report concerns the question of the Arab refugees. Members of the Knesset are fully aware of the basic attitude of the Government on this problem: that in the main a solution must be sought not through the return of the refugees to Israel but through their resettlement in other States. There has been no change in this basic attitude. At the same time the Government has repeatedly stated that, within the framework of an overall and all-inclusive peace settlement, it is ready to contribute to the resettlement of the refugees by allowing the return to Israel of a limited number. This was stated by Israel's permanent representative at the United Nations at the session of the *Ad Hoc* Committee on 5th May, 1949. It was repeated by the Head of the Israeli Delegation at Lausanne to the Conciliation Commission during May and June. I myself made a similar statement before the Knesset in my address during the Foreign Affairs Debate on 15th June. Here, too, there has been no change in policy.

With the resumption of the Lausanne Conference, the Government decided to move a step forward in conformity with its declared attitude. It came to the conclusion that if certain conditions materialised, it should be ready to define its future contribution to the solution of the refugee problem as part of the general peace settlement between the Arab nations and Israel and of the comprehensive solution of the refugee problem itself. The Government was actuated by a desire to speed up progress at Lausanne and bring nearer the prospects of peace. This step, in its view, follows logically from its declared stand.

Accordingly, instructions were issued to the Israeli Delegation at Lausanne to inform the Conciliation Commission that if the Arab delegations were in fact ready to enter upon peace negotiations, our delegation would be ready to discuss the question of refugees first; and if the discussion of this issue was conducted as part of the overall peace negotiations, our delegation would define Israel's contribution to the

solution of the refugee problem through resettlement on the express and obvious condition that the implementation of this contribution would depend on the achievement of peace and would form part of the overall and final solution of the refugee problem in its entirety.

Israel's contribution so defined, would include those refugees who have already returned and resettled in Israel—a total of 25,000. It would also include the thousands who presumably will have returned in the meantime under the plan to reunite Arab families separated by the war.

Further to the above statement our delegation was instructed to stress once again that the State of Israel cannot consider itself in any way responsible for the problem of the refugees. Israel places the responsibility for this problem and for the grim suffering it has caused fully and squarely upon those who violated the United Nations decision on the solution of the Palestine problem, either through armed revolt inside the country to prevent the establishment of the State of Israel or through invasion in order to stifle the State at birth. On the other hand, while disclaiming all responsibility for the problem, the State of Israel cannot remain indifferent to the suffering and distress by which the problem is surrounded. The State of Israel is vitally concerned with a solution of this problem and deems it its humanitarian duty to do what it can to bring it about.

The extent of Israel's contribution, however, cannot be determined by the dimensions of the problem. Its scale must be measured only in terms of the security and economic capacity of the State. From bitter experience the Government of Israel is convinced that the return of Arab refugees in whatever number is fraught with grave risks to the State. The Government is also fully aware that the resettlement of any Arab refugees will involve serious economic difficulties. Nevertheless, the Government considers that the State must be prepared to face both the dangers and the difficulties, if the definition of its contribution opens the way for negotiations and if the implementation of its contribution is conditioned by a stable peace and the full participation of the Arab States in a total solution of the entire problem of the Arab refugees. For there is this immutable condition: If peace is not achieved, if the Arab States refuse responsibility for the absorption of the

great majority of the refugees, if an overall solution to the problem is not found, then the present fixing of Israel's contribution shall not be binding. This contribution is presented as a link in a chain. It

does not exist on its own but only as part of a whole.

This is the attitude of Israel's Delegation at Lausanne, which now awaits the word of the Arab States.

E 10069/1371/131

No. 20

RE-OPENING OF THE TEL-AVIV-JERUSALEM RAILWAY

Mr. Crowe to Mr. Bevin. (Received 18th August)

(No. 74)
Sir,

*Tel Aviv,
13th August, 1949.*

I have the honour to report that on 7th August the first train to run to Jerusalem since the establishment of the State of Israel arrived from Tel-Aviv. Its arrival was the occasion for publicity and celebrations, and speeches were made by the Prime Minister, the Minister of Communications and the Mayor of Jerusalem.

2. Among the passengers from Tel-Aviv were Mr. Remez, Minister of Communications, and Mrs. Goldie Myerson, the Minister of Labour. Mr. and Mrs. Ben Gurion joined the train at a suburban station outside Jerusalem. Cheering crowds lined the track and an army plane acted as escort overhead. During the latter stage of the journey considerable security precautions were taken. The reception at Jerusalem included a guard of honour with fixed bayonets and the Israel police band.

3. Mr. Ben Gurion's speech was fiery and aggressive, and it is significant that he referred to Jerusalem several times as "the capital." He began with a slip of the tongue and his first words were "Mr. Mayor of Tel-Aviv." Correcting himself he added "What is now in Tel-Aviv will soon be in Jerusalem." He went on to speak of how Jewish courage and labour had foiled the enemy's plan to cut off the city from the rest of the new State and of how Arab invading armies, under Christian

generalship, "did what even the pagan Nazis and Fascists dared not do in the last World War: they bombed and shelled with unrelenting mercilessness the Holy City of three religions." The Christian world had not lifted a finger to save Jerusalem and no voice of protest had been raised against the profaners and destroyers of the Holy City. The Prime Minister concluded by expressing his confidence that the railway would fulfil its mission of restoring Jerusalem's economic importance, of strengthening the historic and political bond between the Jewish people and their eternal capital and "of restoring the crown to its former glory."

4. Mr. Ben Gurion's speech was followed by those of Mr. Daniel Auster, the Mayor of Jerusalem, and Mr. Remez. The former said that he hoped to see the first regular passenger train from Tel-Aviv carrying Ministers and officials of the Government to Jerusalem as the capital. The Minister of Communications, who also called Jerusalem "the capital of Israel," gave it to be understood that the city would soon be linked by air communications with the rest of the country.

5. I am sending copies of this despatch to His Majesty's Representatives at Amman, Jerusalem and to the British Middle East Office in Cairo.

I have, &c.

C. T. CROWE.

E 10650/1091/31

No. 21

ISRAEL EXPLOSIVES DUMP AT JERUSALEM

Consul-General Sir H. Dow to Mr. Bevin. (Received 1st September)

(No. 51)
Sir,

*Jerusalem,
29th August, 1949.*

Now that the Israel explosives dump at Jerusalem has been safely exploded, it is perhaps desirable that I should place on record a more connected account of the affair than is readily ascertainable from the

telegrams which have been sent on this subject.

2. The existence of this dump was first disclosed by the Israel representatives at a meeting of the Mixed Armistice Commission held on 16th July. They then stated that an underground ammunition dump

somewhere between the Convent of Notre Dame and the Damascus Gate was in an unsafe condition and ought to be exploded, and they requested that a large area of Arab-occupied Jerusalem, including this Consulate, should be evacuated while the explosion took place. Information about this dump was given by Glubb Pasha to Major Rich, M.L.O., and was transmitted to the Foreign Office in telegram No. 523 of 19th July from the M.L.O. and commented on in Mr. Judd's telegram No. 524 of the same date and in a further telegram No. 526 on the following day. The full seriousness of the situation, however, was not realised until the receipt here of Amman telegram No. 90 of 25th July to your address. This gave a summary of the findings of the United Nations observers who were said to have investigated the dump. According to this report there were three tons or more of explosives in the dump; it would be extremely difficult and dangerous to remove it; there was a fifty-fifty chance that the dump might detonate by itself at any moment; the danger area from flying debris, blast and underground shock was 300 yards; and there was further danger that the dump might be exploded owing to booby-trapped manholes and mines in the immediately surrounding area. The United Nations observers recommended:—

- that a circular area with a radius of 500 yards from the dump be cleared of population and that safety precautions to protect property be taken within this area, and
- that all mines be removed from this area, and
- that the explosives be deliberately detonated after taking all possible safety precautions.

The danger area included this Consulate and the Damascus Gate, each about 150 yards from the dump, and the Church of the Holy Sepulchre, which was distant about 350 yards.

3. I was absent from this post when these facts were disclosed, as I had been attending the Middle East Conference at the Foreign Office. On my return to Jerusalem on 4th August, I found that Mr. Judd, who was acting as Chargé d'Affaires, had taken all possible precautions for the safety of the staff, consulate buildings and records against a spontaneous explosion of the dump. The most exposed part of the buildings had been cleared and evacuated, including the whole of the annex which ordinarily

housed the consular section, and the staff were living and working, in somewhat cramped and uncomfortable conditions, in that part of the main building which was considered to be relatively safe. But none of the safety measures recommended by the United Nations observers had been carried out by the local authorities.

4. I therefore at once got in touch with the highest local representatives of the United Nations and of the Israel and Jordan Governments. Colonel Ballantine, who was combining the duties of Deputy Chief of Staff to Brigadier General Riley with those of Chairman of the Mixed Armistice Commission was unwilling to give me any further information and referred me to the Arab Legion. Colonel Goldie of the Arab Legion, however, had no further information and said that the matter was being dealt with in Amman. The Israel Governor of Jerusalem, Mr. Biran (formerly "Bergmann") was also unwilling or unable to give any information other than that which had already been communicated. The Deputy Governor General of Arab Palestine, Jamal Bey Touqan, said that the Israelis refused to give any information as to the nature of the dump, and he complained of the unco-operative attitude of the United Nations representative who refused to pass on any information to the Arab member of the Mixed Armistice Commission unless with the prior consent of the Israelis.

5. It proved indeed very difficult to get any exact data as to the nature of the explosives or even as to their precise location, and all the authorities concerned seemed to be more concerned to avoid being held responsible for any loss of life and damage incurred than in preventing them. The Israelis regarded everything connected with either the preparation or the disposal of the dump as a military secret, and refused to permit inspection by Arab Legion officers, while putting on them the responsibility for clearing what the Israelis alleged to be the danger area. The Arab view was that their information came only from Israel statements, on the accuracy and good faith of which they could not have reliance unless they were permitted to inspect the dump and examine it for themselves; they could not therefore be held responsible for taking precautions against a danger the nature and extent of which they were unable to assess. And in view of the refusal of the United Nations Chairman of the Mixed Armistice Commission to

give any information which the Israeli authorities wished to be withheld, it is not surprising that the Arabs took the view that the alleged examination by the United Nations observers was of a most perfunctory nature, and that they had not indeed seen the dump, but had merely accepted what they were told by the Israel army authorities.

6. The result of this distrust and uncertainty was that apprehension bordering on panic prevailed in the Arab city within the danger area. When the news of the existence of the dump first became known, a large part of the city was hurriedly evacuated. When no immediate disaster occurred, there was a good deal of scepticism about the whole affair. A common opinion was that it was merely a ruse of the Israelis in order to facilitate a sudden seizure and looting of the city. A dangerous sense of false security was being induced, and the salient fact that, according to the information available, vouched for after an alleged investigation by the United Nations, there was a large explosives dump which was liable to go off spontaneously and cause great destruction of life and property, tended to be lost sight of. It seemed clear to me that the most necessary thing was to reduce this period of uncertainty as much as possible, and to ensure that the dump was deliberately detonated with proper precautions at the earliest possible moment.

7. On 8th August, Colonel Goldie, the local Jordan military commander, sent to me a young Arab Legion officer, Captain Kelly, who claimed to have actually seen and examined the dump, or boost as he described it, clandestinely at night without the knowledge of the Israel authorities. He gave me an alarming account of the bomb, which contained a large number of live shells and which he alleged to be connected with a network of underground channels into the Old City, any part of which in consequence might suffer severely from blast. I have since been informed that subsequently under strict interrogation by his own senior officers, Captain Kelly was unable to convince them of the accuracy of his account, or even of the fact that he had seen the explosives dump at all.

8. On the same date, 8th August, I was informed by Amman that the Arab Legion had been notified of the intention of the Israel authorities to detonate the dump at 9 a.m. Arab time on 15th August. In seeking confirmation of this from the Jordan Deputy Governor General, I was told that this was a unilateral decision of the Israel

authorities, to which the Arab representative on the Mixed Armistice Commission had not agreed on the ground that they had not sufficient information about the nature of the bomb, and could not get this information either from the United Nations or from the Israelis. The Arab authorities had not however positively objected to the detonation on this date, and were mainly concerned in fixing responsibility on either the Israelis or the United Nations.

9. On the following day, 9th August, the Israel authorities informed the Chairman of the Mixed Armistice Commission *in writing* of their intention to detonate the bomb on 15th August, but at 2 p.m. (Arab time) instead of at 9 a.m.

On 12th August, General Riley came to see me, full of apologies for the lack of responsiveness shown by his subordinates to my inquiries. It seems likely that General Riley had himself been galvanised into taking a more active personal interest in the matter, as a result of action taken by you on my telegrams to represent the seriousness of the situation. The time for detonation remained fixed for 2 p.m. on 15th August; publicity to this was given by the Arab broadcasting station at Ramallah and in both the Arab and Jewish press, and the necessary arrangements for temporary evacuation of the danger area were made. In this Consulate, and throughout the Arab city, everyone went to bed on the night of the 14th in the full expectation that the dump was to be detonated the next day. Arrangements here had been made to evacuate the whole staff for the actual time of the explosion. I was, however, informed early the next morning that the detonation had been postponed.

10. I immediately sought an interview with General Riley, whom I saw at the King David Hotel on the Israel side of the lines. He informed me that at 13.00 hours Israel time on the 14th he had received written intimation from Colonel Dayan that the time agreed for setting the detonating charge might prove insufficient, and asking permission for a working party of twelve men to proceed with the work daily until the work should be completed.

In reply to this request for an extension of time of indefinite duration, the Arab military authorities merely replied that they would not fire on the working party on the 15th instant. Thereupon, at 23.00 Israel time on 14th August, General Riley received a telephone message from the Israel military authorities to the effect that having been approached by the French

Government to postpone the detonation until after Assumption Day (15th August), and as Mr. Herzl's remains would arrive in Jerusalem on the 16th for re-interment on the 17th, the Israel Government had given instructions that the detonation should be postponed until approximately 22nd August.

11. It is true that the French Government had approached the Israel Government on the 14th, suggesting postponement of the detonation pending expert examination of the dump. But it is clear—

- (a) that the Israelis had already decided to postpone the detonation before they received the communication from the French Government, and
- (b) that they took advantage of this communication to base their decision on it, while perverting the reasons given by the French Government, as the Israelis had consistently refused to allow examination by outside experts.

The reason given, that 15th August, being Assumption Day, was a particularly absurd one, as the ceremonies held in this connexion take place mainly on the Mount of Olives and regularly draw large crowds from the Christian Arab quarters of Jerusalem: this fact would have been of actual assistance to the Arab military authorities in evacuating the danger area. And, of course, both the date of Assumption Day and the date fixed for the re-interment of Herzl's remains had been perfectly well known to the Israelis when they had decided on 15th August for the detonation of the dump.

12. What led the Israelis to make this last-minute change can, on the facts before me at present, only be a matter of inference from what subsequently occurred. My inference is that, mainly as the result of the diplomatic pressure you were able to exert, the Israel Government became less indifferent to the extent of loss of life and damage which the explosion of the dump was likely to cause, and more apprehensive of the harm which was likely to result politically to the State of Israel. They therefore resolved that it was necessary to make a more serious examination on the spot to see whether the damage could not be minimised by the removal of all or part of the explosives without detonating them. Whatever the motive, from the 15th onwards parties of Israel soldiers were seen

regularly moving about the dump area; previously there had been no overt signs of activity on the part of the Israel army authorities.

13. On 20th August, the officer commanding the Arab Legion here informed me that the Israelis had declared that they would need until 23rd August to complete their investigation of the dump, and would then consider whether the explosives must be detonated *in situ* or could after all be removed. The same evening Colonel Coverdale of the United States Army, who had two days before succeeded Colonel Ballantine as chairman of the Mixed Armistice Commission, called on me under instructions from General Riley, and said that the Israelis expected to be able to decide on the following day when the dump could be exploded. On the evening of the 21st August Colonel Coverdale again called on me, in company with a Belgian officer of the United Nations, with the news that the Israel Government had intimated their intention to explode the dump at 13.00 G.M.T. (which is 15.00 local Arab time) on 23rd August. The Israelis had, on the 20th and 21st August, succeeded in removing a considerable portion of the explosives, estimated by the Belgian United Nations officer to be about 900 kilog., but which the Israelis claimed to be a larger quantity. On the following day I ascertained that the Jordan Government were raising no objection to the dump being detonated on the date fixed, and that they were issuing the necessary instructions through the Arab Legion to safeguard life and property in the Old City.

14. The complete evacuation of the Consulate was carried out by 12.00 hours local time on 23rd August. All window frames had been removed and stored some days before in preparation for the expected explosion on 15th August. On the 23rd the whole of the staff left, taking with them the cyphers and confidential records, which were kept under guard; doors were propped open throughout the building as a precaution against blast, and all cars were removed to a safe distance from the Consulate compound.

15. The dump was duly exploded at the appointed hour, and very fortunately proved to be somewhat of an anti-climax to the apprehensions which had been generally felt. There was no loss of life in the Old City and so far as has yet been ascertained, no very serious damage to property. The damage done to the Consulate building is negligible and can probably be

repaired at a cost of under fifty pounds. A good deal of plaster has been blasted from the walls and ceilings, and one of the inner walls in my quarters has been cracked from top to bottom and rendered unsafe. A window which had been overlooked when the rest were removed was blown out and shattered, giving a sufficient indication of the value of the precautions taken. A good deal of small stones and rubble were scattered about the neighbouring streets and the Consulate compound: the heaviest missile which reached the building was a lump of stone weighing about 8 lb. Sirens sounded the "All clear" an hour after the explosion.

16. There are one or two points on which some further comment may be of interest. The precise nature, size, and object of this dump has not been, and perhaps never will be, satisfactorily established. It was in an underground tunnel some five feet below the surface of the ground, and was about half-way across the No Man's Land which separates the Israel and Arab lines. It seems extraordinary that a mere dump should have been located in advance of, and so near to, the Israel lines where it was liable to be touched off by Arab artillery fire. Various theories have been suggested—

- (a) that the original object, which proved impossible, was to connect this tunnel with underground passages known to exist and so open a way into the heart of the city;
- (b) that the object was to blast down part of the city wall and so effect an entrance into the Old City, and
- (c) that the more limited object was to knock out the Arab post guarding the Damascus Gate and to create general confusion and alarm in the city while the main Israel attack was made elsewhere.

None of these theories is very convincing, and the event showed that (unless the dump was much larger than admitted and unless a greater proportion of it was removed than has been claimed), its detonation would have

been ineffective to secure any of these objects.

17. It is presumed that the United Nations will eventually produce a full report on this incident as they see it, and it is hoped that this will shed some light on the following points. It has been known to, or suspected by, the United Nations observer staff here for several months that something of the kind was in preparation, but the precise nature and location was unknown. The work has been undertaken by the Israelis during the pendency of the truce, of which it is admitted by General Riley to be a flagrant violation. It would be interesting to know whether these facts were reported in proper time to the United Nations, and what action was taken on the information. It seems to be accepted policy that the United Nations staff here are not required to prevent breaches of the truce but only to assess responsibility after they have occurred, and further that the United Nations staff are not to make representations to one of the belligerents except on receipt of a complaint from the other. The course of this incident has shown clearly how inadequate and dangerous such a policy may be.

18. In concluding this despatch, I should like to pay a tribute to the efficiency of the arrangements which were made by the local representatives of the Jordan Government and by the Arab Legion in securing the orderly evacuation of people from the danger zone during the time of the explosion. I am also most grateful for the way in which every member of my staff has put up with the additional strain and discomforts which the uncertainties inseparable from this incident have involved.

19. I am sending a copy of this despatch to His Majesty's representatives at Tel Aviv, Cairo, Amman, Beirut, Damascus, Paris and Washington, and to the British Middle East Office and to the United Kingdom Delegation in New York. I also append a few photographs of the actual explosion which were taken by a member of my staff, and which may be of interest to you.

I have, &c.

HUGH DOW.

JEWISH IMMIGRATION IN ISRAEL

Mr. Crowe to Mr. Bevin. (Received 15th September)

(No. 96)
Sir,

Tel Aviv,
10th September, 1949.

With reference to my despatch No. 78 of 15th August, I have the honour to report that immigration statistics published by the Jewish Agency continue to show a downward trend. The figure for July was 16,819; that for August was 13,912.

2. This trend is very noticeable when the more recent monthly figures are compared with those given for the first six months of the year. In this connexion it is worth mentioning that the agency's statistics tend after an interval to raise the figures previously given for earlier months. This may be due to the fact that not all figures are immediately available and that there is a certain amount of individual or clandestine immigration which is either slow to come to official notice or is, at the time, deliberately excluded from the statistics. Thus considerable discrepancies are shown in the following two lists put out respectively on 17th July (a) and 6th September (b):—

	(a)	(b)
January ...	23,538	25,068
February ...	24,472	25,131
March ...	30,500	31,914
April ...	23,275	24,044
May ...	23,228	24,962
June ...	16,373	16,729
Total ...	141,386	147,848

The above figures would seem to indicate that the more recent monthly totals are themselves subject to revision and likely to be raised in later statements. But this does not alter the fact that they show a considerable falling off when compared to those for earlier months. The total for August (13,912) is nearly 3,000 less than that for June and July. It is little more than half the average total for the first five months of the year.

3. It would be premature to conclude that immigration is destined to remain as low as this during the coming months, or to fall still lower. The Israelis appear to have had a measure of success in their efforts to persuade some of the Soviet Satellite States to permit a greater measure of emigration, and I am told by a well-informed official of the Israel Government that a large body of immigrants is expected from the Yemen in

the near future. Nevertheless it may safely be presumed that unless some unpredictable circumstance intervenes, the monthly average will not rise again to the figures reached during the past winter and spring. Indeed, as reported in Sir Knox Helm's despatch No. 47 of 14th July, the Treasurer of the Jewish Agency himself predicted in July that during the second half of 1949 immigration would fall to about half its previous rhythm. There are, moreover, good grounds for thinking that the Government itself would not permit such a flow of immigrants as occurred earlier this year owing to the difficulty of absorbing them. While there are doubts how far the present slackening off of immigration is officially inspired, it is a matter of common knowledge that it is welcome to those concerned in the Government, though of course they cannot say so openly.

4. The Jewish Agency, however, continues to show concern at the quantitative falling off of immigration, but is even more disturbed about its quality. As reported in paragraph 5 on my despatch under reference, some remarks on this aspect of immigration were made on 9th August by Mr. Eliahu Dobkin, head of the Agency's Information and Administration Departments. He complained that far too few Jewish youths in foreign countries were now enrolled in the Zionist pioneer (Halutz) organisations and mentioned plans to increase the number of youth leaders from Israel working abroad. The Halutz centres used to give preliminary training, both agricultural and ideological, to a large proportion of young immigrants in former days and it was largely due to them that a high degree of hardihood, initiative and self-sacrifice was maintained among the settlers who, in earlier periods, came out with the definite purpose of working on the land under conditions of considerable hardship. It is felt that more must be done to cultivate this spirit and to canalise young immigrants into agricultural employment. The Jewish Agency Executive has therefore recently made it known that it intends to propose to the Government that young persons between the ages of 17 and 22, who have no other professional qualifications, should not be granted immigration visas

unless they first go through a course of agricultural training abroad.

5. This proposal was put to a Zionist Youth Congress held in Jerusalem on 6th and 7th September and endorsed by it, together with other connected projects including the establishment of a permanent institute for the training of Zionist youth leaders. The discussions turned principally round the promotion and improvement of the pioneering movement in Israel and abroad. Resolutions were passed calling for more Hebrew education, more propaganda by Zionist emissaries among the Youth of the Diaspora and more support for pioneer training on the part of party organisations.

6. Mr. Dobkin, in a speech on the subject of *Halutzith* (pioneering), insisted particularly on the need for propaganda in English-speaking countries and gave some interesting figures. Not more than 2,000 youths in all, he said, are at present receiving agricultural training for Israel at training farms abroad, and only eighty-two youth emissaries from Israel are working in the entire diaspora, of whom twenty-three are in the United States, six in the United Kingdom, and fourteen in the whole of the Near East. The Jews of the West, he said, must fundamentally change their Zionist approach from philanthropy to actual immigration. During the first year of Israel's existence very few immigrants from Anglo-Saxon countries—together numbering $7\frac{1}{2}$ million Jews—came to Israel. Not less serious is the situation of *halutz* training in these countries. *Halutzith* is rarely encouraged by the adult Zionist movement or parents, and sometimes actively sabotaged. Mr. Dobkin cited several instances, in particular from the United States. The budgets of the entire Zionist youth movement in the United States last year amounted to only

\$220,000 or less than that of one single Jewish Community Youth Centre in Brooklyn. He went on to repeat the figures given in paragraph 5 of my despatch under reference.

7. It remains to be seen how many of the recommendations approved at this conference can be translated into action. That regarding the refusal of immigration permits to youths who have not undergone agricultural training abroad will require Government approval and it is not certain that it will be forthcoming. There is, moreover, likely to be some public criticism. The general Zionist newspaper *Haboker*, for instance, has declared the proposal to be a matter for both concern and shame, and maintained that the most suitable place for the training of Jewish youth is Israel. But whatever the outcome of this particular suggestion, serious concern is undoubtedly felt at the quality of recent immigrants and special efforts will undoubtedly now be made by the Jewish Agency to propagate the pioneering spirit and arrange for more training. For instance, Mr. Dobkin announced in the speech outlined above the formation of agricultural training camps in Southern France for 900 youths from North Africa and boys and girls from European countries. The main emphasis of Mr. Dobkin's remarks, however, was on the need for action in Anglo-Saxon countries. Though he appears to have referred principally to the United States, an increase in Zionist youth activity may be expected in the United Kingdom also.

I am sending copies of this despatch to His Majesty's Representatives at the B.M.E.O. Cairo, Washington, Cairo, Baghdad, Beirut, Damascus, Amman and Jerusalem.

I have, &c.

C. T. CROWE,

E 11807/1054/131

No. 23

BRITISH POLICY TOWARDS ISRAEL

Interview with the Israel Minister for Foreign Affairs

Sir K. Helm to Mr. Bevin. (Received 29th September)

(No. 107. Secret) Tel-Aviv,
23rd September, 1949.

With reference to Mr. Michael Wright's letter No. E. 8857/1054/131 of 19th September, I have the honour to inform you that last night I paid my first call, since

my return from London, on the Israel Minister for Foreign Affairs. The conversation lasted an hour and a half. The greater part of it was taken up with my delivery of the comments of His Majesty's Government, as outlined in Mr. Wright's

letter under reference, on the remarks made to me by Mr. Sharett just before I left for London in July, and by his immediate personal reactions to what I said.

2. I enclose, for facility of reference, a paper which I took with me summarising the points which I had to put to Mr. Sharett. Amplifications of my own were of no material importance.

3. Mr. Sharett, who had with him Mr. Comay, the head of the British Commonwealth Division, listened most attentively to all I had to say. He and Mr. Comay both took notes and, partly in order to help them, I left with them, entirely unofficially, a copy of my notes. When I had finished Mr. Sharett thanked me for what he called a most interesting, thought-provoking, and important communication. I should not expect him to give a considered reply forthwith or to make any final comment at all. That would no doubt be forthcoming after he had consulted the Israel Cabinet. He did, however, sincerely welcome my statement that His Majesty's Government regarded Israel as a permanent factor in the Middle East, and that they wished her well. On other points he would make a few very preliminary observations.

4. First, he was far from thinking that the idea of Arab unity was an artificial creation. None of the Zionist leaders had ever thought so for it had always been present to their minds. But while the idea was real enough, they had always been very sceptical about its realisation. There was much that was homogeneous in the Arab world. Equally, however, there was very much that was heterogeneous. There were national rivalries, dynastic jealousies and much that was pulling the Arab peoples apart. The Arab leaders had long wanted a unifying influence, and that had been provided by Palestine. He and the Israel leaders did not believe that His Majesty's Government had created the idea of Arab unity—that not even they could do—but a Power like Great Britain could help to foster or retard the realisation of an idea. The Balfour Declaration was an outstanding case in point.

5. The Minister for Foreign Affairs then passed briefly to the question of Israel neutrality which, he said, he would probably develop considerably at a later date. Speaking with great emphasis, he referred again to "so-called neutrality" and said that Israel would never be neutral

in a struggle between liberty of the human spirit and totalitarianism. The Israelis would fight to the death in defence of that liberty and he claimed that the spirit of real democracy existed in Israel as nowhere else in the Middle East. He could not, however, subscribe to the theory that Israel should forthwith openly take sides. He foresaw great harm for Israel in such a course which, he thought, might well precipitate rather than delay a conflict. He repeated that there could be no question of neutrality on basic issues. But it would be no help to Western civilisation and it would harm Israel if she were publicly to declare herself now. Finally, he stressed once more that these were his preliminary personal views.

6. Mr. Sharett next said that he was extremely gratified to learn that His Majesty's Government wished to take Israel more into their confidence than they had done hitherto. He could assure me that that confidence would not be abused. Whether or not the conversations which had begun between us in July should lead to any substantial result, Israel would certainly do nothing which would be likely to offend His Majesty's Government. He was distressed at the thought that we considered Israel responsible for leakages. He did not himself think that the leakage over the Haifa Refinery occurred from Israel sources. Actually, when the Israel Government learnt what was in the wind, they were considerably embarrassed because they would have liked to prepare Israel public opinion for the reopening of the refinery. In the circumstances, however, they refrained from doing so. Mr. Sharett himself was inclined to hold oil circles in Haifa and elsewhere responsible for the leakage, and strongly hinted—and this was stated to me afterwards more specifically by Mr. Comay—that there had been too much talk at Haifa. (I myself was not too certain before I went to see Mr. Sharett that the case against the Israel Government was established, since on my return I discovered that on 18th August the *Palestine Post* published a message of 17th August from Kimche in London, stating that His Majesty's Government had decided to send oil tankers through the Suez Canal. Your telegram No. 1421 to Cairo communicating our plan to secure the reopening of the Haifa Refinery bore the same date.)

7. The Minister apparently took more seriously the suggestion that some account

of the July conversation between yourself and the Israel Minister in London had leaked through the Israel Delegation at Lausanne. He said he did not see how this could have happened. The conversation had been of extreme importance and had caused the Israel Government the greatest possible satisfaction. Information about it had been kept in a very narrow circle. He would at once institute a searching enquiry and again assured me that, by limiting the distribution of information and by other means, every possible step would be taken by the Israel Government to have our confidences integrally respected. He agreed that discretion was an essential prerequisite of discussions between us.

8. The conversation then passed to the question of our financial negotiations, about which I am reporting separately.

9. Mr. Sharett gave me to understand that the Israel Government would now carefully consider what I had said to him and that he would send for me again in due course. I left with the impression that he was considerably more gratified than otherwise with the communication which I had made him on your instructions.

10. I am sending a copy of this despatch to Sir John Troutbeck.

I have, &c.

A. K. HELM.

Enclosure in No. 23

1. His Majesty's Government regard Israel as a permanent factor in the Middle East. They wish Israel well. But their relations with Israel will inevitably depend to a large extent on Israel's attitude towards her neighbours and the extent to which, as they hope, she will succeed in establishing better relations with them.

2. Britain is still the major power in the Middle East which in its present state is a vacuum which will certainly be filled if Britain moves out. Whatever name be given to British interests, whether economic, political or strategical, they are all part of one interest, which is the survival of Western civilisation to which Israel professes to belong. His Majesty's Government understand the internal and external political grounds for the Israel Government's present expressions of neutrality between East and West. They

do not, however, believe that this neutrality can be maintained. The longer Israel postpones the decision, the more difficult it will be for her to prepare to meet the dual threat of Communist penetration and of armed aggression on the Middle East as a whole.

3. His Majesty's Government consider that Israel's need is peace with her Arab neighbours. They feel, however, that she greatly underestimates the difficulties in the way of securing it. It is a myth that the Arab peoples are not opposed to Zionism or that the idea of Arab unity is an artificial creation. Israel's estimates of British influence over the Arab leaders are also largely mythical.

4. His Majesty's Government would like to take Israel more into their confidence than they have done in the past. They did so over devaluation with what they understand were happy results. Earlier they did so in the matter of the reopening of the Haifa Refinery. The result of this last was a series of leakages emanating mainly from Tel-Aviv and Haifa, which produced reactions in the Arab countries which gravely upset the hopes of His Majesty's Government. Dr. Eliash's account of his meeting in July with the Secretary of State also leaked, apparently through the Israel Delegation at Lausanne. The first essential for any discussions with Israel about broader matters of policy is that there shall be no leakages, particularly in view of the difficulties of His Majesty's Government in dealing with the Arab States.

5. On specific points the task of His Majesty's Government would be made very much easier if Israel adopted a more co-operative attitude on Jerusalem and on the question of Arab refugees.

6. An immediate issue is that of the financial discussions which opened at Tel-Aviv on 1st July. His Majesty's Government are greatly disappointed at the position hitherto taken up by the Israel Delegation. This has rendered the discussions sterile and convinced His Majesty's Government that it is to-day impossible to achieve any progress on the present lines. They maintain the views which have been conveyed to the Israel Delegation by the British Delegation. But without prejudice to these and in the hope that the door may be opened to real progress, His Majesty's Government would be grateful if the Israel Government would

now explain fully and in detail what they have had in mind in their frequently expressed desire during the discussions for a "broad settlement." If the Israel Delegation

gation will submit their concrete proposals which would cover all the ground hitherto raised in the discussions, these will be considered by His Majesty's Government.

E 12482/1016/131

No. 24

ECONOMIC CONDITION OF ISRAEL

Sir K. Helm to Mr. Bevin. (Received 14th October)

(No. 119. Confidential)
(Light)

Tel Aviv,

10th October, 1949.

I have been reading again my despatch No. 21 of 24th June in which I endeavoured to assess the Israel scene against a background of five weeks' acquaintance.

2. After the lapse of nearly four months, during two of which I was absent from Israel, there is no substantial change which I wish to make in that estimate. I can find no new factors sufficiently important to affect it. On the other hand, warning lights which were evident when I then wrote have certainly become stronger in the interval. This is particularly marked in the economic field, which I regard as the master key to Israel's future.

3. The Israel authorities continue to impress on the people the seriousness of the economic situation, and to exhort them to invest more, to work harder, to develop the land, and in general canvass all the other panaceas for an economic crisis. But it is difficult to discover what in concrete form they are doing or propose to do about it. The policy still seems to be to collect as many Jews from the rest of the world as possible, to scrape together all the money to be found, and to press on with development plans without too much attention to cost and ultimate capital return.

4. To my mind immigration is still the greatest problem and one which cannot be equated. In his despatch No. 96 of 10th September, Mr. Crowe recorded immigration figures up to August, which showed a considerable decline. There has, however, been a fresh upward surge in September and, as indicated in my telegram No. 28, Saving, preparations for a considerable fresh influx are in hand. At this moment seven Sky-masters are plying daily between Lydda and Aden, each aircraft bringing in up to 150 Yemenis. These the Israel Government regard as excellent material, and as by

their nature and background better fitted than any others to cultivate the abandoned Arab lands. Only in the case of the useless and little desired North African Jews is immigration being indirectly discouraged.

5. The plan still stands for another million immigrants in the next five years. Probably few to-day expect that this plan will be realised. But the official estimate is that it will cost 2,500 dollars per head to bring in these immigrants and to finance the development and other works necessary for their settlement. How this large sum of 2,500 million dollars is to be provided, nobody seems to know except that it is apparently hoped that 1,000 million dollars can be raised by world Jewry, a like sum from foreign and internal investment, and the last 500 million dollars from international loans.

6. In the present year the United Jewish Appeal is unlikely to realise more than 120 million dollars compared with 140 odd in 1948. In the first half of 1949 capital transfers in the form of goods did not exceed 25 million dollars. The only large loan at the disposal of the Israel Government is the Export-Import Bank one for 100 million dollars, of which 60 million have been used up. Moreover, the director-general of the Ministry of Finance recently estimated that total physical investment from all sources in housing, industry, agriculture, &c., during the first half of 1949 had amounted only to the equivalent of some 60 million dollars.

7. Thus, even on the present basis, the necessary finance would not be forthcoming. Moreover, it is far from certain that Jewish subscriptions will be maintained even at their present reduced rate, and it is significant that just this week an acute crisis has been revealed in the affairs of the Jewish Agency, whose accounts apparently show a deficit of some £1.10 million.

8. But that is by no means the whole picture. The press announces with pride that Haifa import figures for September totalled 71,000 tons. There is no reference to exports. Nor was any to be expected, for the figure of these for August was 149 tons and annual exports are running at less than one-sixth of the value of imports. Here again, therefore, is a gap which is not being bridged and which is in fact widening. Israel must import food and raw materials and, in spite of agricultural development propaganda, will probably always have to do so. All she can hope to offer in exchange (and some of these not yet) are citrus products, potash, petrochemicals, processed materials, and such specialities as false teeth, artificial jewellery, &c., which result from skills brought in by immigrants. Even then it is difficult to find convincing evidence of action, as distinct from words, to develop these exports or to improve the quality of such goods as are manufactured.

9. Allied with this are the high costs and low standards of production. As regards the former the Israel Government has something to its credit, at any rate on paper. It has enforced price reductions, and the cost of living figure has fallen. So, however, has its standard. Though wages were reduced somewhat in July, they remain at a fantastic level and there is every indication that any attempt at a further reduction will be strongly opposed. But while wages are high output is almost correspondingly low. The following figures are eloquent and cannot be unfair to the Israel workman, for they were issued at a recent *Histadruth* conference:—

		Daily wages	
		£l.	Output
Israel	...	2.250	100
United Kingdom	...	1.150	200
United States of America	...	3.300	500

In general terms they mean that in relation to a British worker an Israel worker produces half as much (of a very inferior quality) for twice the pay. The equation with the more highly paid American workman is not very different.

10. It is obvious that this production problem must be tackled if Israel is to take the first steps towards economic viability—the goal itself must be very remote. But here one comes up against the Jewish character. In nearly all the lands from

which he came the Jew was not a producer. Many of the early settlers became producers. But economic absorption went with the Mandate and the erstwhile producers are almost lost in the flood of new immigrants. Few of these, with the exception of the Yemenis, have gone on the land. Galilee is a case in point. According to recent press reports it, with a total population of 129,000 (another report says 96,000, but in no case is Galilee defined) of whom only 33,000 are Jews, has taken no more than 6,000 of the 300,000 immigrants who have arrived since the establishment of the State. Yet during the same period, as was shown by the map enclosed in my Chancery's letter No. 99/6/49 of 26th September, numerous settlements have been established on inhospitable lands adjoining Israel's frontiers. The main purpose of this is obviously strategic.

11. Again, we are told by the press that unemployment—the official figure is now 25,000—is developing mainly among agricultural and skilled workers. Yet—and this in spite of information from my staff that there are now far more signs of agricultural activity than when I made several tours in June—there is ample room in Israel for many more agricultural workers and the State is crying out for agricultural products. But the great bulk of the "established" immigrants have crowded into the towns where, instead of being absorbed into production, they set about living on others as they did in their countries of origin. And for the time being most of them apparently manage to do so—even on their brother Jews.

12. I wish it were within my power to produce an informed study of Israel's economic problems and of the Israel Government's plans for coping with them. There is much information of a kind, but its reliability is always open to question, being frequently based on wishful thinking and propaganda motives. Also I cannot claim to be an economist. But my rough sketch of these problems seems to leave no doubt that, on any basis of logic and in the absence of some great change such as a fresh upheaval, the State of Israel could not hope to survive. There are indeed some who claim that the Israelis count on some such upheaval in the course of the next few years and that they are only concerned with getting along now, increasing their population to a maximum, and confident that all will come right in the end. The

apparent failure of the Government radically to tackle the present problems, and to remove or weaken the immigration causes of many of them, lends some colour to this theory.

13. Perhaps because I am not an economist I do not myself subscribe to it and, illogical though it must sound in face of what I have said above, I feel that Israel will survive, though not perhaps in the form or realising the dreams which its creators have foreseen for it. The administration is amateur, and unintegrated, there is much internal conflict over labour and religious matters, the population must as a result of mass immigration lose much of its hitherto East European character (this is only one of the many rich Israel fields for speculation) and there is much about the future which must be uncertain. But the Jew remains a Jew and Zion has not lost its appeal. He has made more difficult adaptations in the past, and though he may be foolish enough to hope for a continuation of the easy successes of recent years it will be salutary for him to discover that he cannot. He will also have to learn his dependence on others. I do not suggest that he will not set out to exploit these others, but they should be on their guard and can exact their price.

14. Meanwhile I think that much pioneering work is being done the results of which cannot for long be apparent. The Government also seems to be taking in sail. Till very recently they were adamant in refusing to have any dealings with Mapam. Now it seems clear that the invitation for talks has come from Mapai, who at the

same time have made approaches to the Rightist General Zionists. From the standpoint of politics these moves must savour of weakness and of lack of confidence. Certainly they suggest that Mapai do not feel capable of tackling the crisis alone. But coalition, if it comes here, could be a source of strength, the more so as the economic policies of the two major parties are based on the same principles. In the field of foreign policy it would have potential dangers from our point of view, but not I think so great as they would be if the Mapai-Mapam rift were to go on developing and the former alone held responsible for the hard times which must lie ahead.

15. How hard these times will be depends to a large extent on the outside world. The easing of the present Arab boycott is much desired and would help Israel greatly. But even its indefinite prolongation might not be a death-blow. The stoppage of capital assistance from abroad almost certainly would be. Nobody sees that happening. But the dependence is fundamental and must remain so for many years to come, and it carries implications which extend far outside the economic field.

16. I am sending copies of this despatch to British Middle East Office, Cairo, Washington, Moscow, Cairo, Bagdad, Damascus, Beirut, Amman, Jedda, Jerusalem, United Kingdom Delegation, New York, and Joint Intelligence Bureau.

I have, &c.

A. K. HELM.

E 12484/1579/131

No. 25

CONFLICT BETWEEN GOVERNMENT OF ISRAEL AND WORLD ZIONIST ORGANISATION

Sir K. Helm to Mr. Bevin. (Received 14th October)

(No. 122. Confidential) *Tel-Aviv,*
Sir, 11th October, 1949

I have the honour to report that on 30th September it was announced that Mr. Yitzhak Gruenbaum (Isaac Greenbaum) treasurer of the Jewish Agency, had resigned his appointment. Mr. Gruenbaum is a Polish Zionist, who for many years was a member of the Sejm and president of the National Council of the Jews of Poland. He came to Palestine in 1933,

since when he has been closely identified with the Jewish Agency Executive. As a prominent member of the General Zionist Party, he was Minister of the Interior in the Provisional Government of May 1948, and he could have been one of the leaders of that party in the Knesset to-day, had he not chosen at the elections of January 1949 to present, with three of his friends, an independent electoral list. As it was, he obtained nearly enough votes to get himself

elected. He is one of the leading personalities of Israel and enjoys considerable popularity.

2. Mr. Gruenbaum became treasurer of the Jewish Agency at the beginning of August 1949, after the resignation of Dr. Israel Goldstein. The latter had held the post for little over half a year; Mr. Gruenbaum has resigned from it after two months. This instability is symptomatic of the deepening crisis with which the Jewish Agency has been faced since the emergence of the State of Israel. There are two aspects to the crisis; the financial and the political. An underlying cause in both is the fact that whereas during the Mandatory period the agency, being in full political control of the Jewish community in Palestine, was able to prevent expenditure from exceeding revenue, it is now expected to finance expenditure which arises from the activities of an independent Government over which it has only an indirect influence.

3. Another factor is the large gap between expenditure and income, described in Chancery Letter 90/11/49 of 3rd October to Eastern Department. The agency's deficit for the first eleven months of the Jewish year 5709 was there shown as £1.7 million. The total deficit for that year is now estimated at £1.10 million. The budget produced by the agency in May last showed large items of income under "claims against the Government" (these are believed to arise from advances to the Government for the prosecution of the war) and "Government participation in the absorption of immigrants." In fact, this revenue has not been forthcoming, and it seems clear that there are behind-the-scenes disputes over the Government's failure to meet the claims.

4. The question of the dividing line between Government and Jewish Agency responsibility for the resettling of immigrants and the resulting allocation of the funds available for this purpose has also been a matter of controversy. With immigration again on the increase during the last few weeks all these matters have become even more pressing, and to cover immediate needs the agency has asked the Government for a loan.

5. No reason has been given for M. Gruenbaum's resignation. There may well be truth in a press report that at a meeting of the executive he demanded that the number of new immigrants for the Jewish year 1949-50 should be determined for

budgetary purposes and that he resigned because this proposal was not accepted. The immediate occasion is, however, of minor importance: the fact seems to be that he was not ready to be so docile towards the Government as are some other members of the executive. His predecessor, Dr. Goldstein, is said to have left because the American Zionist leaders reproached him with being too amenable to Government influence; M. Gruenbaum has left because the Government did not find him amenable enough. These appear to be but incidents in a more general conflict which had been going on between the Government of Israel and the World Zionist Organisation (now largely centred in the United States). The Jewish Agency is for all practical purposes identical, at any rate on the higher executive level with the Zionist Organisation.

6. When the State of Israel was founded, the Provisional Government, several of whose members had been prominent in the Jewish Agency Executive, showed a tendency to regard the agency and the Zionist Organisation as instruments for the dictation of policies by Israel to world Jewry. The Mapai Ministers, headed by Mr. Ben-Gurion, were particularly inclined to do so; the General Zionists, including Mr. Gruenbaum, have on the whole opposed the tendency. Members of the Jewish Agency and Zionist Organisation objected to it, partly through fear that it would undermine their position and influence abroad by making them appear to be the agents of a foreign State, and partly because they felt they were being regarded as mere fund-raisers without any part in policy. Matters reached a crisis in the summer of 1948 when, at a stormy Zionist Congress held in Jerusalem, the Zionist delegates from abroad outvoted the Palestinians who wished to dictate policy from Israel, and obtained the resignation from the Jewish Agency Executive of Mr. Ben-Gurion and all other Ministers of the Israel Government, with the exception of the Finance Minister, Mr. Kaplan. The American Zionists, headed by Drs. Silver and Neumann, were particularly prominent in this quarrel. It was agreed that two executives should be set up, one in Jerusalem and one in New York, that the Jewish Agency should continue to be responsible for immigration, settlement and absorption, and that, while naturally working closely with the Government, it should not be expected to remit sums directly to it, to be spent as it saw fit. This arrangement

was confirmed at further discussions in May, 1949, but its application has never worked smoothly.

7. The struggle for preponderant influence waged between the Israel Government on the one hand and American Zionism on the other is complicated by various issues. In addition to the question of control of funds and of their use, American Zionists also tend to criticise the socialistic tendencies of the present régime in Israel and the present Government's international policy of neutrality as between East and West. On the surface it may appear that the Israel faction, led by Mr. Ben-Gurion, is gaining the upper hand. The American faction, led by Dr. Silver won the first round when in 1948 it secured the resignation of Mr. Ben-Gurion and his friends. But the tables were turned in February 1949 when the leadership of the United Jewish Appeal in the United States was wrested from Dr. Silver, with the result that he in turn resigned from the New York executive of the Jewish Agency. Mr. Gruenbaum's recent resignation seems to be a further victory for Mr. Ben-Gurion. But some observers in this country maintain that the American faction is really more powerful than it looks and is only biding its time: rather than fight things out now and risk reproach for slowing down the fund-raising cam-

paign and so causing a financial breakdown in Israel, the American Zionists are waiting, it is said, for the next World Zionist Congress which is due to be held, probably in Israel, in June 1950. As at this congress there will, for the first time in the history of the movement, probably be no delegates from Eastern Europe, the American Zionists will be proportionately stronger. The result may well be the adoption by the Zionist Organisation of a social, international and financial orientation at variance with that of the State of Israel.

8. The foregoing represents, of course, only a very broad generalisation on a subject of great complexity. But I hope that it will throw some light on the strains to which the organisations of Jewry are being subjected, little more than a year after the establishment of the State of Israel, and which, if the economic analysis contained in my despatch No. 119 of 10th October is anywhere near the mark, are little likely to be eased in the coming months.

9. I am sending copies of this despatch to His Majesty's representatives at Washington, Cairo, Jerusalem, Amman, Bagdad, Damascus, Beirut and Jedda and to the B.M.E.O. in Cairo.

I have, &c.

A. K. HELM.

E 13062/1103/131

No. 26

ECONOMIC SITUATION IN ISRAEL

Sir K. Helm to Mr. Bevin. (Received 27th October)

(No. 138 E. Confidential) *Tel Aviv,*
Sir, *25th October, 1949.*

Mr. Robert Nathan, head of the Jewish Agency's economic department in New York, has recently paid a three weeks' visit to Israel. My commercial secretary, who saw him several times, obtained from him the following impression of the economic situation in Israel.

2. Mr. Nathan referred to the plan to increase the population to 2 million in the next four or five years, and based his analysis for the next twelve months on an immigration figure of 200,000. Experience proved that it cost 7,500 dollars to absorb a family of three. Five hundred million dollars would, therefore, be required. He

estimated that internal investment was at the rate of 100 million dollars per annum. From the United Jewish Appeal a further 100 million dollars might be forthcoming. It was hoped to obtain further foreign loans, and he put down 50 million dollars from this source; and 50 million dollars from foreign investment.

3. To the remark that even on the basis of this seemingly optimistic calculation little more than half the requirement would become available, Mr. Nathan replied that there might be a fall in immigration; otherwise complete "economic absorption" would have to be delayed. Workers would have to be kept longer in camps, or possibly housing standards could be lowered; they

would have to be employed on work schemes, such as road building, that involved little capital expenditure, instead of in the manufacturing industries where their services would be of greater economic benefit.

4. Mr. Nathan admitted that investment from the United States had been low, but expressed optimism about the future. He was unable, however, to point to any definite new industrial investment proposals of any magnitude. He thought that fear of the powerful trade union organisations in Israel was the greatest deterrent to the American investor. He was nevertheless confident that with the aid of American support Israel would develop into a manufacturing and assembly centre for the Middle East as soon as political difficulties were resolved. He thought, too, that there was a great foreign currency earning potential in the tourist industry, and that visitors from the United States would be prepared to pay even the very high rates which would be necessary if luxury hotels were to be built at present-day prices.

5. Although he provisionally estimated 100 million dollars from collections in the United States, Mr. Nathan was not optimistic about the prospects for the coming year. He thought the Jewish Agency had made a mistake in initiating a new campaign for gifts. There should have been, instead, an issue of Israel Government bonds. He admitted that the agency's funds were inadequate to meet the requirements for maintaining immigrants in camps at the present rate. The agency had recently had to borrow from banks in Israel to pay for essential supplies of food, shelter and medical necessities. The agency was not a Government and was therefore unable to engage in major deficit financing or the issue of currency and other expedients normally available to Governments. Now that the Israel Government would

back up the agency in its borrowing programme the immediate needs of the immigrant camps could be met.

6. Mr. Nathan's estimate of internal investment at 100 million dollars presumably comes from Government circles here, where it is estimated that investment is at the rate of up to one-sixth of national income, itself estimated at £1.220 million. His provisional estimate of 100 million dollars from the United Jewish Appeal is high in relation to the figures given in my despatch No. 112 E. of 3rd October, and it has been learned recently that American banks have under-written the current year's U.J.A. appeal to the extent of only 115 million dollars. Some of this will have to go to the Joint American Distribution Committee, so that it seems doubtful whether the estimated amount will reach Israel.

7. In a speech yesterday, Mr. Horowitz, director-general of the Ministry of Finance, estimated total investment from all sources in all branches of investment for the year 1949 at £1.86 million (say 250 million dollars) and the treasurer of the Jewish Agency has estimated the cost of maintaining immigrant camps at 50 million dollars for the coming year. This gives a figure of 300 million dollars for investment, designed mainly to house and "absorb" immigrants and the cost of keeping them in camps. These figures, although not directly comparable, support Mr. Nathan's estimates. But Mr. Horowitz admitted that they were not enough for he admitted that "the import of capital and the increase of production, considerable though they are, cannot keep pace with immigration."

8. I am sending a copy of this despatch to the British Middle East Office, Cairo.

I have, &c.

A. K. HELM.

E 13330/1017/131

No. 27

ELEVENTH CONFERENCE OF THE ISRAEL COMMUNIST PARTY

Sir K. Helm to Mr. Bevin. (Received 4th November)

(No. 144)

Sir,

Tel Aviv,

31st October, 1949.

I have the honour to report that the Israel Communist Party held its 11th Conference

at Tel-Aviv from 21st to 25th October. There were about 250 Jewish and Arab delegates in addition to several hundred visitors.

2. The proceedings were on lines to be expected. There were the usual red flags and much drumming and trumpeting. Stalin was elected honorary president of the Israel Communist Party and Tito's name was booed. Representatives of the Communist parties of France, Cyprus and Canada participated and greetings were read from Communist parties elsewhere. The principal speakers were Mr. Vilner, on the ideological front, Mr. Toubi (the editor of the Arab Communist paper in Israel) on the organisation and constitution of the party, Mrs. Esther Vilenska on the class war in Israel and Mr. Mikunis, the local party chief, who presented the political report of the Central Committee. Mr. Habibi also spoke on the national problem in Israel. Messrs. Mikunis, Vilner and Toubi are the three Communist members of the Knesset.

3. The speeches appear to have kept closely to the party line. Of the points that were made it is perhaps worth noting that Mr. Vilner repeated the line taken by Communist parties in other countries that if the Red Army in pursuit of the aggressive armies of imperialism were to reach the frontiers of Israel, it would be welcomed with enthusiasm and "we shall offer it a helping hand." Mr. Vilner also said that "the slogan of the Nationalist bourgeoisie for the ingathering of the exiles is nothing but Utopia" and Israel would never be able to solve the world Jewish problem.

4. Mr. Mikunis's speech consisted of a general review of the world position with special reference to Israel and strong criticism of the present Government, who were denounced as bourgeois and as carrying out the selfish interests of the Israel bourgeoisie and their imperialist masters. He also reviewed the various parties in Israel, all of which he whole-heartedly condemned, with the exception of Mapam, which he said had a pro-Soviet bloc but also an anti-Soviet Tito element. He added that "in spite of the blunders of Mapam, which is oscillating between Right and Left, it is possible to amalgamate with them in a joint Leftist Front."

5. It is significant in view of Mr. Vilner's remarks that Mr. Mikunis also declared that immigration and absorption were now part of the party's natural programme. The party had opposed immigration when it seemed that new immigrants were threatening to displace local workers, but the situation had since changed. It will be

recalled that Mr. Mikunis was accused in the Knesset of having advocated the stopping of immigration on his recent tour of Eastern Europe.

6. It is obvious that proceedings lasting five days must have covered much more ground than is suggested by the foregoing summary. But of such other matters the Communist organ, of course, says nothing. It can, however, be assumed that much time was devoted to party activities in Israel—and perhaps beyond it—and to the campaign to which I referred in my telegram No. 553 of 27th October arising out of the cost of living dispute. In this connexion Mr. Mikunis's reference to the possible constitution with Mapam of an united Leftist front is interesting and perhaps ominous. There have of late been several indications that Mapam, or at any rate certain elements in the party, have close contact with the Communists and that the latter are exploiting present difficulties as one would expect. From this point of view the future of the present desultory talks between the Mapai and Mapam parties is of considerable importance.

7. Such information as I have suggests that the Communists are active over the whole field. A particular point of concentration is the Arab community which (as shown by my despatch No. 145 of to-day's date) is subject to irksome controls and discrimination and whose discontent is being fanned. This seems to be especially the case at Nazareth which I visited last week-end and where I was told that in this small community no less than five Communist clubs are functioning. The story is similar among the 4,000 Arabs in Haifa, where a Communist news sheet in Arabic is distributed weekly and where also I learnt that there was considerable Communist activity among the Jewish workers. At the same time evidence accumulates of extreme Leftist thinking in the new settlements where conditions are far from easy and in many of which the winter will be difficult. Here also therefore there is a promising field for Communist exploitation and I am not satisfied that the Israel Government is yet fully alive to its latent dangers.

8. I am sending copies of this despatch to the British Middle East Office Cairo and to His Majesty's Representatives at Cairo, Moscow, Bagdad, Beirut, Damascus, Amman, Jedda and Jerusalem.

I have, &c.

A. K. HELM.

POSITION OF THE ARABS IN NORTHERN PALESTINE

Grievances against the Israel Government

Sir K. Helm to Mr. Bevin. (Received 4th November)

(No. 145)
Sir,

Tel Aviv,
31st October, 1949.

I have the honour to transmit to you the accompanying copy of an interesting despatch addressed to me by His Majesty's Consul-General at Haifa about the lot of the Arabs in Northern Palestine.

2. I understand that Mr. Ezard obtained much of the information embodied in his despatch from a well-qualified Christian Arab source. In the past few days I have visited Nazareth and Haifa and have obtained, mainly from British sources, information which closely accords with that provided by Mr. Ezard. It is true that certain Arab elements, such as skilled carpenters and others, whose services are necessary to the authorities, readily find employment in the construction of the new Jewish settlements. Otherwise, however, the conditions of life of many of the Arabs who have remained in Israel are difficult. They are segregated and not allowed to leave the localities in which they reside otherwise than with special permits which are difficult to obtain. Arabs who for one reason or another left their villages last year and moved even a few miles to another village or into a town such as Nazareth are regarded as refugees and their property as "abandoned." Cases are known of some of these Arabs having been able to recover possession of their properties but these have been rare and the recovery has been a slow and tedious process. I was told that in Nazareth itself there were at present some 2,000 of these "Arab refugees" who are largely destitute and being helped by Christian missionaries. They cannot return to their native villages which have either been destroyed or been handed over to Jewish immigrants and, being unable to leave the town, all the main exits from which have guards, they cannot obtain work. In Haifa, where the Arab population has fallen from about 60,000 to 4,000, more work is available and the Arab community there is therefore in a somewhat less unsatisfactory state. Exceptionally, Mr. Dix the general manager of the Haifa Refinery, informed me that a few of his Arab em-

ployees who had been in Nazareth had now received permission to establish themselves in Acre.

3. There are of course other exceptions (notably I am told in the Beersheba area) to the general picture presented by Mr. Ezard and there are undoubtedly many Jews, including members of the Government, who at least in principle favour equal treatment for Arabs and Jews. But in practice and in spite of recent [word omitted: ? articles] in the Hebrew press against alleged anti-Arab discrimination, things do not work out that way. The Arabs could be usefully employed on the land. But the areas which many of them previously farmed are near Israel's borders and the Israel authorities are suspicious of them. There, they are being replaced by Jews. Elsewhere and in spite of the economic needs of the State, there is not enough work to go round and it is perhaps inevitable that the available work should be given to Jews rather than Arabs, more especially as the *Histadruth* stands firmly by its rule that the Arabs shall not be a means of providing cheap labour and thereby pull down the standard of living of the Jewish workers.

4. In these circumstances it is not surprising that, as I have pointed out in my despatch No. 144 of to-day's date, the Arab communities provide a fertile field for Communist activity. Equally, the lot of the Arabs in Israel to-day would make me chary of recommending that steps should be taken to secure the return to Israel—not to their homes for these are to-day very largely in ruins—of any proportion of the former Arab population who have taken refuge outside Israel-controlled territory.

5. I am sending copies of this despatch to the British Middle East Office, to His Majesty's Representatives at Washington, Cairo, Bagdad, Beirut, Damascus, Amman, Jedda and Jerusalem, and to the United Kingdom Delegation, New York.

I have, &c.

A. K. HELM.

Enclosure in No. 28

Consul-General Ezard to Sir K. Helm.
(Tel Aviv)

(No. 66)
Sir,

Haifa,

18th October, 1949.

I have the honour to report briefly on a number of points of grievance entertained by Arabs in northern Palestine against the Israel authorities, and also upon the treatment of property belonging to absentee Arabs, as I can find no record that this matter has been the subject of a report from this post.

2. The chief complaint of the Arab population at the present time refers to the difficulty of finding work, and the virtual impossibility of obtaining any employment at all without first joining the *Histadruth*. It is generally agreed that not less than 80 per cent. of the Arab working population of northern Palestine is unemployed and that with few exceptions the remainder are provided by *Histadruth* with casual labour only. Preference of employment is, it is claimed, always given to Jews and normally no Jew will ever employ an Arab in work where a prescribed rate is payable. As their menfolk can find no work, Arab women from Nazareth and Acre are infiltrating into Haifa where Jewish families take them for domestic duties at a small fraction of the standard rates for such work.

3. The disabilities suffered under the Israel Absentees' Property Regulations by Arabs actually living in Israel territory constitute an important grievance. As applied, these regulations prevent an Arab resident, who holds land or property jointly with an absentee Arab, from dealing in any way with his own share. Moreover, in a number of cases reported (and this may be the general rule) Arabs who moved during the disturbances to a locality now within present Israel territory from the place of their permanent residence in Israel, are denied the enjoyment of their property there, which continues to be held by the Custodian of Absentees' Property, notwithstanding all protests. Indeed, a person declared an absentee, although physically present in Israel, is precluded from engaging an advocate to represent him in court.

4. Not only in the frontier zone but quite generally, Arabs are no longer allowed to live where they choose, and in Haifa, for example, the ghetto principle is largely applied, a quarter limited to a few streets in Wadi Nisnas being allotted for their

segregation. Moreover, these Arabs live, I am assured, in constant fear of army and police who frequently raid their premises under trifling pretext. Many villages in Galilee have been forcibly emptied of Arabs who for the most part are now herded together in Nazareth, where they are kept alive by Red Cross and other relief organisations. A special military pass is needed by an Arab before he can move anywhere from the locality of his authorised residence. In the Nazareth district at least—and there is reason to believe that other areas are similarly affected—Arab villages are prevented by the military authorities from cultivating their land, to which Jewish squatters have moved. Thus these villages are progressively impoverished.

5. On the subject of reunion of families, I am told that Jewish authorities have dealt severely with students endeavouring to return to their families from outside Israel. Such students are said to have been arrested and committed for trial, those over 18 being imprisoned and subsequently deported. I understand that in other cases, fines of £20 were imposed, and the youths similarly expelled from the country.

6. It will be convenient to add a note on developments affecting Arab property in northern Palestine abandoned by their owners and taken over by the Israel Custodian of Absentees' Property, as conditions for returning Arab refugees will presumably be affected by these circumstances. I am told that of moveable property nothing whatever remains. The Jewish Army requisitioned whatever was of interest to them: the Custodian of Absentees' Property sold unrequisitioned merchandise to merchants, and such furniture and household effects as were not already looted were disposed of at low prices to Jewish immigrants. A clean sweep seems also to have been made in Arab villages deserted by their inhabitants, stock and agricultural implements being taken by the Jews, together even with motors and pumps of the village wells. Conditions in regard to fixed property vary. In Haifa a considerable quantity of Arab house business property was destroyed. The army and Government have taken their choice of what remains, and accommodation left over has gone to Jewish immigrants and in a few cases to homeless Arabs. No attempt seems to be made to maintain this Arab property, which is visibly deteriorating. In the smaller towns destruction has as a rule been

slight and abandoned Arab property has gradually been handed over by the custodian to immigrants released from the transit camps. In the case of Arab villages, those which were deserted have been occupied by Jews, and of those where the Arab population remained behind, some were blown up by the Jews after the fighting ceased—at least twenty villages within sight of the

main roads in this district suffered this fate—and some have since been cleared completely for the accommodation of Jewish settlers. A number of the Arab villages have been left undisturbed in the hands of their Arab residents.

I have, &c.

C. N. EZARD,
His Majesty's Consul-General.

E 13332/1017/131

No. 29

ATTACK BY Mr. BEN GURION ON COMMUNIST POLICY TOWARDS ISRAEL

Sir K. Helm to Mr. Bevin. (Received 4th November)

(No. 147. Confidential) *Tel Aviv,*
Sir, *1st November, 1949.*

With reference to my despatch No. 144 of 31st October, in which I referred to present Communist activities in Israel, I have the honour to report that the Prime Minister, Mr. Ben Gurion, made a public statement on 29th October, which suggests that he at least is ready to take up the Communist challenge. Speaking in Tel Aviv at a national convention of party members representing Mapai on the workers' councils, Mr. Ben Gurion began by dealing at length with the economic questions interesting the workers and, in particular, with the reduction of the cost of living bonuses. He then went on to say that he must explain who was interested in increasing Israel's difficulties, and as he said "taking off his jacket" proceeded to attack communism at home and abroad with unusual directness.

2. Mr. Ben Gurion openly accused Anna Pauker, the Roumanian Minister for Foreign Affairs, of being responsible for the recent agitation and demonstrations organised in Israel by the Communists in collaboration with Mapam. Though he did not mention her by name, there could be no doubt about the reference for he spoke of her as "a Jewess, who is a Minister in a country of Eastern Europe." She was, he said, interested in proving to the Jews in her own country that there was no point in their emigrating to Israel since work was scarce there and the Government was anti-democratic. This daughter of a Jewish Rabbi now living in Israel was endeavouring to destroy the Jewish community in her country by imprisoning a multitude of Jews. But not content with

that, she would like to bring hunger, trouble and unemployment to Israel in order to curb the desire of those Jews who want to emigrate. He described her collaborators as a "Yevseksia" (or Jewish section, on the model of one which functioned in Soviet Russia) and stated that its new voluntary agents in Israel were not associated with any definite party. They could be found anywhere. Moreover, abroad they were not confined to East European countries only: in America, for instance, there was a capitalist Yevseksia consisting of Judge Lessing Rosenwald and his "American Council for Judaism" who were also undermining Jewish morale.

3. A struggle was going on, not between socialism and communism, nor between Mapai and Mapam, but between a Socialist Zionism and a Communist Yevseksia. The time had come for everyone to decide whether he was with the Yevseksia or not. The Mapam members in the agricultural settlements were doing a great job in helping to build up the country, but their comrades in the towns were endeavouring to destroy it. He appealed to the Socialist Zionists of Mapam to define their attitude: to choose between the Yevseksia and Israel. Either they were Jews serving their own nation for its own sake, or they would be the servants and agents of foreigners.

4. Mr. Ben Gurion attacked the Jewish Communists for their past as well as their present activities. Thirteen years ago he said, Jewish Communists even in America had sent greetings to the Mufti, who, acting for Hitler and Mussolini, had launched a wave of disturbances in Palestine against the Jews. In 1932, the Palestine Communist Party and the Left-wing of the

Hashomer Hatzair staged a demonstration against sending a group of workers to a settlement where Jewish labour was banned. The Communists then issued a proclamation calling on the Arabs "to conquer by force the land of the Jewish colonisers." Mr. Ben Gurion added that he would like to see the Israel Communist Party expelled from the Histadrut.

5. It is significant that on this occasion the Prime Minister openly abandoned the somewhat artificial neutrality between east and west which Israel Government spokesmen have been wont to observe. In doing so he showed in no uncertain fashion the importance which he personally attaches to combating the disruptive influence of communism among the workers. Whether Mr. Ben Gurion was speaking for himself alone or impressing an agreed statement of policy is another matter. For one thing his remarks bear the mark of the spontaneous outbursts to which he is prone, and he must have been nettled by the reported last-minute ban on the departure for Israel of nearly 200 Jews who last week were about to leave Roumania. But I have some reason to believe that he was in fact

giving expression to ideas he has had for some time and which aim at forcing a split in Mapam designed to attract back to Mapai the sober elements in Mapam and to force the fellow-travellers and extreme leftists to reveal themselves in their Communist colours. This is the strong line which one would expect from Mr. Ben Gurion. But I am told that it is not favoured by his principal colleagues, among them Messrs. Sharett and Kaplan, who think it too dangerous and who favour a more cautious approach, not least perhaps because it was Mr. Ben Gurion himself who last year alienated the Mapam Right wing and was a principal factor in their leaving the coalition. Whether the foregoing is correct or not, the Prime Minister has taken his stand, and things can hardly long remain as they have been.

6. I am sending copies of this despatch to the British Middle East Office and to His Majesty's representatives at Washington, Cairo, Moscow, Bagdad, Beirut, Damascus, Amman, Jedda, Jerusalem and Bucharest.

I have, &c.

A. K. HELM.

E 13848/10110/131

No. 30

RELATIONSHIP BETWEEN THE STATE OF ISRAEL AND THE ZIONIST ORGANISATION

Statements made at Sixth Zionist Conference

Sir K. Helm to Mr. Bevin. (Received 17th November)

(No. 153. Restricted) *Tel Aviv,*
Sir, *9th November, 1949.*

With reference to my despatch No. 122 of 11th October, I have the honour to report that at the opening session of the Sixth Zionist Conference sponsored by the Palestine Foundation Fund (Karen Hayesod) in Tel Aviv on 6th November, Mr. Ben Gurion delivered an address in which he formulated the relationship which should, in his view, exist between the State of Israel and the Zionist Organisation.

2. The past achievements of the Foundation Fund, he said, were great. But the future rôle of the Fund and of the Zionist Organisation (of which it is the financial instrument) was not to be determined by the past. Everything had been changed by the emergence of the State of Israel,

which was now the main instrument for the realisation of Zionism and could alone, in its supreme sovereignty, determine what was to be done within the State. There were many, however, both in Israel and in the Diaspora, who had not yet drawn the necessary conclusions from this historic change. There were, he said, two possible fallacies which must be avoided: first, that the establishment of the State obviated the need for the Zionist Movement and the Zionist Funds; and secondly that, with the establishment of the State, the Zionist Organisation "can continue its activities in Israel as if the State did not exist."

3. Although the Jewish population "is reaching or has perhaps already passed the one million mark" it must not be forgotten even for a moment, the Prime Minister said, that scarcely 10 per cent. of

the Jewish people was in Israel to-day. The ingathering of the exiles represented the real content of Zionism, and even though the State must henceforward be the main factor in its implementation, this gigantic task was beyond the possibilities of the State alone. The Jewish people and its Zionist vanguard must help the State. The Government of Israel called upon the Zionist Movement and the Zionist Fund to magnify their activities and reach new heights of achievement, looking not to the past but to the wider horizons and possibilities opened up by the establishment of the State of Israel.

4. At the same time, Mr. Ben Gurion said, those people were mistaken who believed that nothing had changed in the powers and duties of the Zionist Organisation. Its function during the Mandatory period had been "to shape the policy of the Mandatory Government" and to be a kind of State within the State. But there could be no State within the State of Israel. Zionists everywhere were entitled to criticise the Government, but "no Zionist can direct the Government of Israel along the path it shall follow unless he leaves the Diaspora, becomes a citizen of this country and assumes all the duties and rights of a citizen of this State." Any attempt to exert pressure on the Government of Israel through the Zionist funds or the Zionist Organisation was in contradiction to the new basic principle of the Zionist Movement, *i.e.*, the existence of "the free, independent, sovereign, pioneering State of Israel." The main force of pioneering and dynamic Zionism was now in Israel, and its character would be determined only by those who joined it unconditionally, settling in the country and becoming citizens of Israel. At the same time the State needed the Zionist Movement because its authority extended only over its own citizens. This was insufficient to achieve the Zionist goal—the ingathering of the exiles which postulated true and sincere co-operation between the State and the Zionist Movement.

5. These remarks were clearly directed against the American Zionist faction led by Dr. Silver, whose conflict with Israel leadership over the functions and authority of the Zionist Movement were analysed in my despatch under reference. They have been criticised in the press as likely to widen the breach between Israel and foreign Jews, and it is somewhat surpris-

ing that Mr. Ben Gurion should have chosen to make this somewhat provocative statement of principle at a convention having as its main object to give a new stimulus to the fund-raising activities of the Zionist Movement. But as I noted in paragraph 7 of my previous despatch, the issue is a fundamental one and more will be heard of it, particularly at the World Zionist Congress to be held next year.

6. Mr. Kaplan, the Finance Minister, also spoke at the meeting. He disclosed that the Palestine war had cost Israel over £1.100 million. Only a quarter of this sum had been provided from abroad, whereas, he maintained, in the last world war 50 per cent. of British war expenditure had been met from abroad. In the last seven months of this year over 99 per cent. of Israel's expenditure for security had been covered from local sources, but the tasks of defence and of Government administration were imposing on the public and on the individual citizen of this country a very heavy yoke. They were reaching the limit of their own possibilities. The national income, he said, was about £1.200 million, of which "20 per cent. was spent on the open budget." He intimated that without outside help the State could not carry out the tasks of developing the land and absorbing the present mass immigration.

7. Discussing sources of funds, Mr. Kaplan said that the idea of floating loans among the Jews abroad had been considered, but had been abandoned for this year in order not to compete with the fund-raising campaigns in the United States. He mentioned that one of the delegations which recently visited Israel in connexion with the United Jewish Appeal had begun by suggesting that immigration should be limited to a rate commensurate with the financial resources available for absorption, but after touring the immigrants' transit camps it had reversed its opinion. The Minister expressed concern lest two separate standards of living, one for the old settlers and another for the new, might develop. He was optimistic about Israel's recovery, but thought the transition would take years.

8. Among other speakers at the Congress, some voices were raised which echoed to some extent the views of the American Zionists of which Mr. Ben Gurion had been so critical. Mr. Gruenbaum, whose resignation from the treasuryship of the Jewish Agency was the occasion of my despatch

No. 122, stated that immigration, absorption and resettlement should continue to remain in the hands of the Zionist Organisation. Mr. M. Grossman, head of Economic Department of the Jewish Agency, stated that there was no future for the Zionist Organisation without the active participation of Jews abroad. They must therefore be given an opportunity of in-

fluencing "in some way" the progress of affairs in this country.

9. I am sending copies of this despatch to His Majesty's Representatives at Washington, Cairo, Jerusalem, Amman, Bagdad, Damascus, Beirut, Jedda and to the British Middle East Office in Cairo.

I have, etc.,

A. K. HELM.

E. 13850/1016/131

No. 31

CONDITIONS IN ISRAEL

A Review by Mr. Ben Gurion in the Knesset

Sir K. Helm to Mr. Bevin. (Received 17th November)

(No. 158)
Sir,

Tel Aviv,
11th November, 1949.

I have the honour to report that the Knesset reassembled on 7th November after its two months' recess. The Prime Minister opened the new session by a long speech which he finished on 8th November. I was present in the gallery during the final part, and was struck by the fact that at the close of his four-hour speech, Mr. Ben Gurion sat down, as he had been heard, in silence. I discovered afterwards that this has become the established custom and that cheers do not figure in the Israel parliamentary procedure. Thus the proceedings, particularly to one not possessing Hebrew, seems exceptionally dull as, in the absence of interruptions which may generate heat, there is nothing but a dull monotone.

2. The Prime Minister's speech was essentially a review of the work done by his Government during the first nine months of its existence, and it was not to be expected that he would say anything very new about foreign affairs. But points perhaps worth mentioning in the enclosed official translation of his remarks are his reference to some sort of unofficial contacts between Israel and Arab representatives (paragraph 2), his statement that relations with Britain have "improved to some extent" (paragraph 4), and the further one that the establishment of diplomatic relations with Turkey is a matter for particular satisfaction (paragraph 5). As regards the Soviet *bloc*, the Prime Minister confirmed that Israel has asked Russia for goods on long-term credit (paragraph 6); he held out hopes that Hungary might make emigration easier, but said that negotiations with Roumania on this subject had so far been

fruitless (paragraph 9). He reiterated Israel's claim to Jewish Jerusalem (paragraph 11) and his Government's intention to remain neutral in the face of international rivalries (paragraph 12).

3. In the earlier part of his speech the Prime Minister had stated that his Government would continue to apply, in its main lines, the programme originally announced by it to the Knesset. This included doubling the population during the first four years of the State's existence: they would oppose any limiting of immigration. The ingathering of the Diaspora must continue, but world Jewry and especially the American Jews must help, otherwise the undertaking might fail. New houses were now being built cheaper and faster; next year three-quarters of the building would be in rural areas, to counteract the tendency to urbanisation revealed by the census of November 1948, which showed that 72 per cent. of the population was concentrated in Tel Aviv, Haifa and Jerusalem. Ninety-nine new settlements had been founded in the past year and 18 per cent. of the immigrants had settled on the land. The settlement programme must be speeded up and undeveloped land must be planted with hundreds of millions of trees.

4. Turning to the economic recovery programme, Mr. Ben Gurion said that the cost of living had been lowered, with a corresponding cut in workers' emoluments, which had not affected their standard of living. Both private enterprise and national enterprise were required. Private investment would be encouraged in every way. The Government had already provided certain facilities for this: there existed trade pacts with some countries which enabled Jewish

capital to be transferred to Israel. A Bill would be introduced for the encouragement of investment, and a special centre would be set up to give assistance and guidance to investors. Reductions in taxes and customs duties would be allowed in the case of approved investments and transfers of capital. The latter would include transfers in the form of equipment and machinery, new or old, and deposits in foreign currency would be authorised in certain Israel banks on conditions which would permit their withdrawal and re-export without special permission from the Ministry of Finance. Mr. Ben Gurion then gave some figures to show that private investment had greatly increased. From 1920 to 1939, £80 million had been invested, making a yearly average of £4 million; for the period 1940-47, the corresponding figures were £46 million and an average of under £7 million; but during the first seventeen months of Israel's independent existence, £54 million (not including the American loan) had been invested, and this represented a yearly average of £36 million.

5. Among other measures which the Government proposed to introduce in the current session, the Prime Minister mentioned Bills on the following questions: equality of rights and duties for women; social insurance; compensation for dependants of those killed in the war; legal status of the General Labour Exchange; terms of employment, appointment and promotion of civil servants; an "Israel Citizenship Bill"; various items of labour legislation regulating hours of work, paid annual leave, juvenile labour and women workers' privileges. Of these, the Israel Citizenship Bill appears to be of special interest: it is presumably something corresponding to a nationality law, and will inevitably present some thorny problems.

6. Mr. Ben Gurion made no mention in his speech of the need for a Constitution. The opening of the new session was accompanied by demands in the opposition press that the Knesset, which was elected as a constituent assembly, should proceed to draft a constitution. The religious *bloc* is also understood to favour this view. Mapai, however, is shy of tabling a draft constitution (it is common knowledge that one is ready) since it would raise fundamental and highly controversial problems, principal among them the place of religion in Israel where discussion might shake the very foundations of the new State. In any case it is evident from the foregoing summary

that the legislative programme is heavy enough as it stands.

7. I am sending copies of this despatch to His Majesty's representatives at Amman, Bagdad, Beirut, Cairo, Damascus, Jedda, Jerusalem and to the British Middle East Office in Cairo.

I have, &c.

A. K. HELM.

Enclosure in No. 31

(Extract)

Israel Prime Minister's Speech to the Knesset, 7th-8th November, 1949

"1. The armistice agreements with Egypt (February), Lebanon (March), Transjordan (April) and Syria (July) have been honoured and are being honoured with the exception of article 8 of the armistice agreement with Transjordan. This clause laid down—in our favour—the opening of the Latrum road and the road to Mount Scopus, and—in favour of Transjordan—the opening of the road to Bethlehem and the supplying of the Old City with electricity. We are ready to fulfil our part of the agreement, but Transjordan has until now refused to do its part. Transjordan, however, has faithfully and truly honoured two main clauses in its agreement: the transfer to Israel of the railway line to Jerusalem and of the eastern part of Wadi Ara. Apprehensions regarding the evacuation by the Syrians of Mishmar Hayarden have proved groundless. The opposition of the Syrians—for a long time supported by the chairman of the Mixed Armistice Commission—to any addition to our settlement in this demilitarised area has not prevented the establishment of a new settlement (in the demilitarised zone) on the eastern shores of the Sea of Galilee. With the exception of the above, all questions on which there was any disagreement have been settled peacefully at the Mixed Armistice Commission meetings.

2. We have endeavoured to enter into direct negotiations with the Arab States. Unofficial meetings have taken place, but we have not yet arrived at any peace negotiations. The Arab States have refused to enter into direct negotiations with us either alone or under the auspices of the Conciliation Commission. We have therefore informed the Conciliation Commission and the United Nations that, in view of this refusal, we consider the continuation of the

Conciliation Commission as useless, and even likely to be of some harm.

3. We have co-operated with the Economic Survey Group towards the drawing up of plans for the development of Middle Eastern countries under the auspices of the United Nations which should include the solution of the problem of the refugees within the overall development programme.

4. Our relations with other States are progressively growing closer and more firm. Fifty-seven States altogether have now recognised Israel. In spite of certain opposition, Israel has been accepted as a member State of the United Nations by a vote of 37 to 12. We have maintained and will maintain close and friendly relations with the United States and the Union of Soviet Socialist Republics, both in their capitals and at Hakirya. We have most cordial relations with France, and our relations with Britain have improved to some extent. Negotiations for the financial settlement of the past have not yet ended. They are being conducted on a basis of full equality and on the principle of non-recognition on our part of the inheritance of responsibility from the Mandatory Government.

5. We have entered upon friendly negotiations with representatives of India, and an agreement has been reached for the exchange of diplomatic representatives with Turkey. I express my satisfaction over this link with the most progressive State in the Middle East with which, after our country was under its tutelage for 400 years, we are now meeting as a free State on the basis of full equality. Israel has ten Ministers accredited to thirteen countries and one representative to the three Benelux countries, five Consulates-General and a number of Consulates. The Consulate-General in Australia will soon become a legation.

6. We have been diligently pursuing the development of commercial relations with many countries throughout the world. The allocation of the instalments of the American Export-Import Bank loan has continued regularly. We have applied to the U.S.S.R. for goods on long-term credit.

7. We have joined the International Labour Organisation, the International Organisation for Civil Aviation, the International Health Organisation and U.N.E.S.C.O.; we have adhered to the International Telecommunications agreement and the International Wheat Council and have participated in the conventions

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of these organisations. We are at present participating for the first time as members with equal rights in the regular annual session of the United Nations General Assembly.

8. When the regional congress of the International Health Organisation was to have met at Cairo, the United Nations Secretariat could not obtain the guarantees from the Egyptian Government demanded by us for our participation in the congress with equal rights. The meeting was accordingly transferred to Geneva. The second congress is scheduled to meet in Turkey. The Geneva congress was held in a friendly spirit and with the full co-operation of all participants.

9. The Exodus of Jews from most countries of the world to Israel is proceeding without interference. The agreement of the Polish Government has been obtained to grant freedom of emigration to any Jew who wishes to come to Israel during a specified time. The Israel Legation has been recognised as the institution organising this emigration. Emigration from Czechoslovakia, Bulgaria and Yugoslavia has proceeded without interference. Negotiations have been in progress with Hungary for the renewal and increase of emigration and an easing of the situation is possible, although a satisfactory solution of the problem is still far from achievement. Difficult negotiations have been in progress with Roumania. To date these have proved fruitless. Only a few, mostly aged, persons have received exit permits from Roumania to come to Israel. The needs of the Jewish masses in Roumania and their demands to emigrate to Israel have not been met.

10. The Government has brought the news of the wave of persecution which has broken out against the Jews of Iraq to the notice of world public opinion. The Great Powers in close contact with the Government of Iraq have been requested to intervene to stop the wave of arrests and torture.

11. The Government has successfully withstood every attempt to win from it concessions in any part of the area under Israel's authority. The Government has insisted and will insist on the full right of Jewish Jerusalem to remain an inseparable part of the State of Israel. The Government notes with gratification that many representatives at the United Nations have come to realise that the plan to internationalise Jerusalem—at least in so far as the new City is concerned—is impracticable and not necessary for the safeguarding of

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the Holy Places and the rights of the Churches.

12. Our international policy is based on peace—peace in our own region and in the world at large; peace with the East and with the West; with the small nations and with the great. We shall act both at the United Nations General Assembly and outside it for the strengthening of peace among nations and we shall do everything

in our humble power to minimise the differences between peoples and groups of peoples. We shall support all those who like us, refuse to identify themselves with this or that rival and we shall under all circumstances be faithful to the command of our tradition and ideal—to bringing about such conditions throughout the world that peace shall reign among the nations and war shall cease to be."

E 14395/1016/131

No. 32

POLICY OF THE ISRAEL GOVERNMENT

Debate in the Knesset

Sir K. Helm to Mr. Bevin. (Received 29th November)

(No. 169. Restricted) *Tel-Aviv,*
Sir, *24th November, 1949.*

I have the honour to inform you that the speech made in the Knesset by the Prime Minister on 7th and 8th November, which was the subject of my despatch No. 158 of 11th November, was followed by an interesting if somewhat diffuse general debate on the Government's policy which lasted several days. Mr. Ben Gurion wound it up with a further speech on 21st November.

2. The financial and economic difficulties of Israel dominated the debate at the outset. Mr. Beigin, the Heruth (and former Irgun) leader, maintained that the Government by its prejudice against private enterprise and excessive economic controls had deterred investors and caused the decline in Zionist collections abroad. Even Government supporters were critical of its failure to encourage foreign investment. Mr. Liebenstein, a member of Mapai who spoke in this sense, suggested that the Israel pound might have to be devalued by half. Spokesmen of the Progressive and Religious Parties complained of the Government's tardiness in proposing measures designed to attract private investors and of its failure to exploit the initial enthusiasm aroused by the foundation of the State of Israel. A Sephardi member attributed the failure of foreign investment to excessive controls and proposed that foreign exchange should be decontrolled. Mapam, on the other hand, disagreed with the other parties' preoccupation with the problem of how to attract foreign capital and urged internal economic reforms such as a capital levy,

nationalisation of the Dead Sea works, a Government monopoly of imports and economic self-sufficiency. Mr. Ben Gurion, in his reply, rejected one-sided reliance either on foreign capital or on nationalisation and claimed that by a proper combination of private enterprise and controlled economy, by greater efficiency and productivity, and by maintaining the standard of living, the country could ultimately overcome its inevitable adverse balance of trade and become self-sufficient in many respects.

3. The Government was also criticised for failure to deal effectively with the absorption of new immigrants, of whom over 90,000 are now in the transit camps. Mr. Kaplan, the Minister of Finance, admitted that between £1.80 and £1.85 million would be required to settle and employ in industry, agriculture and building and public works alone the 45 per cent. of these immigrants and the further 125,000 who are expected during the next ten months, who would go into these branches of the economy, but he thought there were prospects of drawing the necessary resources from the American loan (of which the full effect on the country's economy would, he said, be felt only next year), from national funds, from local and foreign private capital and from taxation. Mr. Ben Gurion declared that no housing and employment problems would deter the Government from helping Jews to immigrate from places like the Yemen, where life was difficult for them. Should a similar opportunity arise for those in Iraq or Roumania it must be seized.

Israel's means were indeed inadequate, but he pinned much hope on American Jewry for assistance.

4. The Government's "austerity programme" was also criticised as providing insufficient rations to maintain health and capacity for work. In reply, the Minister for Supply and Rationing, Dr. Dov Joseph, maintained that medical opinion had expressed approval of his programme: people must learn to modify their diet. The fall in prices had made essential foods accessible to the poorer classes who could not afford them before. Food production had been and would be increased, but farmers must be more co-operative.

5. In the course of the debate two Arab Deputies voiced complaints of the treatment of Arab citizens. Mr. Toubi (Communist) charged the Israel authorities with being "chauvinistic and undemocratic" in that peace-loving families were being deported by them for alleged infiltration into Israel territory, while former collaborators of Kaukji were being allowed to return under "ideal conditions." Mere inability to produce identity cards or permits was, he said, being used as a pretext for deportation. Mr. Ben Gurion indignantly retorted that Mr. Toubi's allegations had been repeatedly disproved. He treated him as an impudent anti-Zionist agitator and expressed surprise that he should be permitted thus to slander the army and State of Israel. A Mapam member proposed that a parliamentary committee should be appointed to investigate Mr. Toubi's allegations but this did not meet with majority approval. Mr. Toubi spoke again later in a more chastened mood and pledged the readiness of all Arab democrats to fight for Israel's independence in the event of an Arab "second round," but pointed out that any disregard of Arab rights in Israel would play into the hands of Kings Abdullah and Farouk or Nuri Pasha. Mr. Jarjura, the Arab member for Nazareth associated with Mapai, pleaded for the establishment of an independent board to deal with the question of Arab refugees and urged that 6,000 of them, now, he said, confined to Nazareth, should be allowed to return to their villages.

6. In view of the inconclusive negotiations still going on between Mapai and Mapam for the latter's eventual participation in the Government, the two parties refrained from their usual polemics. In

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his final speech the Prime Minister made an appeal for a broadening of the Government coalition, which was addressed to the General Zionists as well as to Mapam. In this connexion he proposed a programme consisting of the following six points:—

- (a) A foreign policy of peace with the Arab States and with the world and of neutrality in the face of international divisions.
- (b) Equal rights and obligations for all residents, regardless of religion, race, or sex. This would mean full rights for women and for Arab citizens of Israel.
- (c) An united pioneering army with allegiance to the State alone.
- (d) An economic policy including, among other things, increased efficiency and productivity, encouragement of private capital and enterprise, and improved conditions for labour.
- (e) Satisfaction of religious needs without religious domination.
- (f) Collective responsibility of all members of the coalition.

7. Complaints were voiced by the Opposition that the Government was doing nothing to promote the drafting of a Constitution: it was claimed that this was one of the Knesset's first duties since it had been elected as a Constituent Assembly. Mr. Ben Gurion admitted that his Government was divided on this issue. He personally was not in favour of framing a Constitution; but in any case the time had not yet come, he said, since the creation of the State must take priority. He emphatically denied allegations that his Government planned to remain in office longer than the four years originally approved by the Knesset in February. After the debate Mr. Beigin (Heruth) introduced a motion on this issue. The chairman of the parliamentary Legislative Committee stated that the whole question was being debated in the committee, which would report to the Knesset after a fortnight. The motion was defeated. Mr. Beigin also tabled a motion, in the form of a draft law, to proclaim undivided Jerusalem as capital of Israel. But at the request of Mr. Ben Gurion he agreed to withdraw it from the Knesset and to submit it to the Legislative Committee.

8. On the whole the Government appears to have come through the debate with a fair

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amount of credit. The Opposition was critical but could produce no constructive alternative plans and tended, in the case of Mapam in particular, to harp on their familiar nostrums. On one of the main issues, that of the encouragement of foreign investors, the Government had already moved to meet its critics. The Prime Minister's appeal for a broader coalition,

though it may produce no positive results, appears to have made a good impression.

9. I am sending copies of this despatch to the British Middle East Office in Cairo and to His Majesty's representatives at Amman, Bagdad, Beirut, Cairo, Damascus, Jedda and Jerusalem.

I have, &c.

A. K. HELM.

E 14396/1105/131

No. 33

COMMUNAL SETTLEMENTS IN ISRAEL

Sir K. Helm to Mr. Bevin. (Received 29th November)

(No. 168. Confidential) *Tel-Aviv,*
Sir, 23rd November, 1949.

On the establishment of His Majesty's Legation six months ago I quickly realised that there were numerous facets of Israel development which merited careful study. I decided that among them none was more important than the communal agricultural settlements, generally known as kibbutsim, which are a particular feature of Israel and round which has grown up a wealth of romance of which great use has been made by Israel propagandists. I therefore requested Mr. Balfour, First Secretary, to devote as much time as possible to a study of the organisation and features of these settlements and I now have the honour to enclose a copy of his resulting memorandum.

2. I believe that this memorandum will be found of real value. It is long and detailed. But it covers an extensive field and is, I suggest, worthy of study by those interested in agricultural development and in communal organisations not only in Israel but also elsewhere. Like so many other things in Israel these settlements represent a great experiment, the full fruits of which cannot yet be estimated. Indeed, as Mr. Balfour indicates towards the end of his memorandum, the whole nature of these communal settlements is now itself being remoulded through abnormally rapid expansion due to unrestricted immigration. Further, their rôle, more particularly in the frontier areas, is becoming almost as much strategic as agricultural.

3. As Mr. Balfour stresses at the outset, his memorandum is devoted exclusively to settlements run on purely communal lines and does not treat of other types of settle-

ments such as co-operatives. There seems to me to emerge a picture in which the individual is almost entirely subordinated to the organisation, if not to the State. This becomes particularly clear from a perusal of Section (m) of the memorandum relating to the upbringing and education of children. Even now this paragraph does not altogether conceal Mr. Balfour's personal sympathy with a system whereby parents have contact with their children only during their leisure hours. I myself have greater sympathy with family life as we know it.

4. Of particular interest also are Section (l) on ideological outlook and Section (n) on the feeling in the kibbutsim towards communism. In the former Mr. Balfour speaks of the freedom enjoyed by the individual and the security which he enjoys. The second is probably more real than the first. But even so, I have no doubt from my personal observations about the enthusiasm of the individual settlers. As regards political outlook it is certainly Leftist, and I am inclined to agree with Mr. Balfour's conclusion that, though kibbutsim members are not Communist and would probably do nothing to foster communism, they might not be prepared to do enough to combat it. They have, as he says, already voluntarily renounced many of the principles and personal advantages which normally inspire resistance to communism.

5. A last point in Mr. Balfour's memorandum to which I would refer is the almost complete absence of religious influence in the communal (as also in the co-operative) settlements. This absence,

directly affecting as it does close on one-tenth of the inhabitants of Israel, and that undoubtedly the most virile element, must in time react on the moral and cultural outlook of the new State, the more so as family ties are simultaneously being weakened. Contrary influences are, however, at work and I am reliably informed that a desire for greater privacy and real family life is finding strong expression in the kibbutsim, more particularly from ex-soldiers and from those of middle age whose initial enthusiasm has somewhat cooled. The result is, I gather, a growing personal tendency in favour of co-operative in preference to communal settlements.

6. Even so, the enthusiasm in the kibbutsim is a very real thing. As Mr. Balfour remarks in Section (o) they "have an internal momentum which drives them on. The whole atmosphere of life in the kibbutsim requires that morale should be maintained by constant expansion: their inmates will go on working without personal enrichment if they feel that things around them are being built up or enlarged and that the creative, pioneering period is not yet over."

7. I myself have seen only one kibbutz from the inside—founded some five years ago at Revivim, about 25 miles south of Beersheba, and the most southerly settlement in the Negev. I was impressed by one minor detail. I had heard much of the hard conditions in the kibbutsim. There I found about a hundred enthusiastic young settlers of both sexes (the first baby was due in a few months) living in complete isolation with some acres of scrubby pomegranate and other fruit trees and two cultivable fields. But before they started at all water was installed, electric light laid on, buildings erected, food supplies arranged and a fridaire, radio and library supplied. And work is limited to eight hours per day. I compared their lot in an easy climate with that of boyhood friends of mine who went pioneering on their own to Canada, Australia and New Zealand in the early years of the century, and came to the conclusion that they, rather than the Israel settlers, knew something about hardship.

8. I am sending copies of this despatch to the British Middle East Office, Cairo, and to His Majesty's representatives at Washington, Moscow, Cairo, Bagdad, Beirut, Damascus, Amman, Jedda, Jeru-

salem, and to the Joint Intelligence Bureau.

I have, &c.

A. K. HELM.

Enclosure in No. 33

Communal Settlements

- (a) Nomenclature.
- (b) Principles and Organisation.
- (c) Origins and Development.
- (d) Federations.
- (e) The United Federation (Hakibbutz Hameuchad).
- (f) The National Federation of Hashomer Hatsair (Hakibbutz Haartsi Hashomer Hatsair).
- (g) The League of Kvutsoth (Hever Hakvutsoth).
- (h) The Religious Federation (Hakibbutz Hadati).
- (i) Other communal settlements.
- (j) Relative strength.
- (k) Standard of living.
- (l) Ideological outlook.
- (m) Rearing and Education of Children.
- (n) Relation to Communism.
- (o) Economic and Financial Basis.
- (p) Future prospects.

(a) Nomenclature

The subject of this paper is not the rural community of Israel as a whole, but only that section of it which has organised its life on purely communal lines. Other types of rural settlement, not dealt with here, are the individualist settlement (Moshava), the smallholders' settlement (Moshav), the workers' co-operative settlement (Moshav Ovdim), and the collective smallholders' settlement (Moshav Shitufi). The present study deals only with communal settlements.

2. A communal settlement is called in Hebrew a Kvutsa ("group"—plural: Kvutsoth) or a Kibbutz ("gathering"—plural: Kibbutsim). The first of these two words was that originally used; the second is now more commonly heard. But whereas the average Israeli will generally use the word "Kibbutz" to describe a communal settlement of any kind to those engaged in the movement there is a distinction between a Kibbutz and a Kvutsa. A Kvutsa is a settlement where importance is attached to the cultivation of close personal bonds between the members, whose number is in consequence kept within certain limits. A

typical Kvutza is thus a more compact and intimate social unit than is a typical Kibbutz. The fact, however, that there is now an organised "League of Kvutsoth" (see (g)) has still further narrowed the distinction, so that, in practice, the word "Kvutza" is applied to-day only to settlements affiliated to that league, while all others, whatever their size, are called "Kibbutsim."

(b) Principles and Organisation

3. A Kibbutz or Kvutza is an agricultural community based on common ownership of property and the pooling of labour. Its members place at the disposal of the community all their time and effort, while the community provides them with all their requirements. The soil cultivated is owned by a national fund and put at the disposal of the community. The settlement, with all its produce, buildings and equipment, is the common property of all its members. They work and eat together and their children are reared and educated collectively. Their principal occupation is mixed farming, but they also engage in other economic enterprises.

4. The supreme authority in each settlement is the General Assembly of its members. There is an executive committee entrusted with the implementation of the resolutions of the Assembly, which also prepares the production programme for consideration by the Assembly. A labour committee details the members for work and is responsible for the execution of the working programme in every branch of activity, including the domestic services (kitchen, children's quarters, &c.). Each branch is headed by one responsible member, or by a committee of workers permanently engaged in it, which functions in accordance with a general programme and detailed budget prepared for the whole year.

5. The executive staff of a communal settlement usually consists of a treasurer, a secretary and the secretary of the labour committee. There is often also a special "external secretary" responsible for relations with the outside world. Social affairs are organised by special committees (health, education, membership, cultural, &c.), to which members may apply for the satisfaction of all their current requirements. At the beginning of each agricultural year, elections are held of all the officials and committees of the settlement.

6. Collective settlements are registered with the authorities as co-operative societies and they are subject to the general regulations governing such societies (auditing and accounts, &c.). From the local government point of view, many of these settlements are affiliated to Regional Local Councils.

(c) Origins and Development

7. Many of the earliest settlements in the last twenty years of the 19th century began on collectivist lines and continued on them for varying periods. But this was due more to economic necessity than to ideology, and did not last. It was only in the period of the Second Aliyah or wave of immigration (1904-14) that the movement began to take permanent shape. Young men and women came out from Russia who had been influenced by the teachings of Tolstoy and by the spirit of revolt which gave rise to the revolution of 1905. They strove consciously to create what they considered a juster form of society and held together in small groups, some of which had already existed in Russia. They found in Palestine a system based on a small class of Jewish landowners employing thousands of unorganised non-Jewish workers at a very low wage. A fierce struggle broke out, under the slogan "conquest of work," for the Jewish labourers' right to work on Jewish farms and plantations. It was on the whole unsuccessful. Employment was precarious, underpaid and dependent on the seasonal requirements of special crops. Thus both by ideological inclination and by economic necessity the new immigrants were driven towards collective enterprise: they would try to found settlements where there was no landowner and employment of hired labourers, and where a well-balanced system of mixed farming served as a basis of greater economic security and self-subsistence.

8. At first workers' quarters were established near some of the larger privately-owned properties: their purpose was to consolidate the economic position of the hired labourer by providing him with an auxiliary farm. At that time the Zionist organisation had already begun its activities in Palestine. Labour organisations responded to its initiative and obtained its support. In 1908, at Sejera, the first effort was made by a communal group to assume responsibility for the operation of a training farm. About the

same time the Jewish National Fund founded on the south-west shore of the Sea of Galilee two settlements, Kinnereth (1908) and Degania (1909), which developed on communal lines. By the time of the first world war there were four settlements of the kind, and a youth movement called Hechaluts "the Pioneer" had been founded by Joseph Trumpeldor in Russia, which soon spread to Central Europe and America, which was to produce many recruits. This later assumed the form of a federation uniting youth organisations of various complexions.

9. When immigration recommenced immediately after the war (the Third Aliyah, 1918-24), a large number of young people, mostly from Eastern Europe, came out to Palestine imbued with the pioneering spirit of Hechaluts, who had also come under the influence of the socialistic and revolutionary ideals generally prevalent in Europe and particularly in Russia. They wished not merely to live in a new land of their own, but to live a new kind of life. In Palestine, conditions during the war had given considerable impetus to communal and co-operative enterprise among workers: groups were formed which carried out any kind of work that came their way in order to relieve their distress. The new immigrants often followed this method: many of them organised themselves in groups which collectively executed various tasks such as road building and other public works. A co-operative group of this kind, if offered an opportunity of settlement on the land, would tend to found a Kibbutz. The Balfour Declaration and the British Mandate which followed it gave a great impetus not only to immigration but to land-purchase by the Jewish Funds. Those interested in communal enterprises had their share in the new opportunities thus offered. By 1922 there were already nineteen communal settlements, principally in the Jezreel area.

10. By 1924, when a new wave of immigration (the Fourth Aliyah) came in, the communal movement had got into its stride. Jewish youth movements in the Diaspora were in close touch with the Kibbutz leaders in Palestine and were training young people for agricultural life on collectivist lines. Many years of experimentation were still ahead, but already an ideology had crystallised and definite organisational and social forms had grown up. This made it possible to prepare new recruits abroad with an ever-increasing

attention to real requirements. The development was not without its setbacks: some settlements failed, others suffered numerous desertions. But by 1927 the number of communal settlements was twenty-eight and in 1936 they had reached forty-seven with a population of nearly 12,000. The Arab disturbances of 1936-39 and the second world war gave an added impetus because Jewish settlement was effected under difficult conditions which only closely knit collective groups could withstand. The figure for 1941 was 87 settlements. By 1946 there were 136, with 41,400 inhabitants.

11. During the mandatory period, training for life in a communal settlement was usually begun by the members, before their immigration to Palestine, in special camps organised on the same lines as a communal settlement in Israel. On their arrival in Palestine those who had decided in favour of this form of life either joined one of the existing communal settlements or, after a short period of acclimatisation in an old-established settlement, founded a communal settlement of their own which subsequently absorbed other members who had still to complete their training abroad. Since May 1948 indiscriminate mass immigration has interfered somewhat with this training system, but it still functions and is likely to resume its important rôle. The collective groups have provided preliminary training for their future life and work in Palestine to thousands of immigrants who eventually left the Kibbutsim to settle in smallholders' settlements, on private farms and elsewhere. The final goal of communal settlement was attained only by those among them who proved themselves capable of this form of life. Numbers of young people born in the towns of Palestine have also gone out to form new collective groups.

12. Besides developing a special mode of life, the communal settlements were the pioneers of progressive Jewish agriculture. They introduced technical innovations and crops hitherto unknown in Palestine and they experimented in modern methods of cultivation. The communal settlements achieved the highest records of output in most branches of farming and their example was imitated by other non-communal villages engaged in mixed farming. In many settlements important non-agricultural enterprises were also introduced (see (o)).

(d) Federations

13. The early communal settlements had to struggle into existence as more or less isolated units dependent on their own resources and initiative, but to-day the situation is very different. Almost all settlements of this kind now enjoy the moral and financial backing of a nationwide federation with which they are affiliated. The federative movement began to take shape in 1926-27. Already in 1923 a congress was held for joint discussion of the special problems with which communal settlements are faced. Then in 1926 it was decided to found a "League of Kvutsoth and Kibbutsim" to promote and consolidate the movement and introduce collective principles into the mutual relations between settlements. Very soon, however, two groups seceded from it. The Kibbutsim, founded by the Left-wing youth movement called Hashomer Hatsair ("the Young Watchman"), which is the backbone of the present-day Mapam Party, broke away mainly for political reasons and founded in April 1927 a separate federation. In August of the same year a second group of settlements proceeded to found a federation based on a common tendency to increase their numbers, enlarge the scope of their activities and pool their resources in personnel and money for the sake of common enterprises. A third federation grew up later in 1936, composed of Orthodox Jews. These three are known respectively as the Kibbutz Haartsi, the Kibbutz Hameuchad and the Kibbutz Hadati, i.e., the National (country-wide) Federation, the United Federation and the Religious Federation (the word "Kibbutz" being here used in a broader sense). Finally, what remained of the original League of Kvutsoth and Kibbutsim developed into the present "League of Kvutsoth" (Hever Hakvutsoth).

14. There are thus four main groups or federations. A few communal settlements remain outside them, but between them they form the great majority, and the first criterion by which one may size up the character of any particular settlement is its allegiance to one or other of them. A fairly close parallel can be drawn between Jewish communal settlements and the religious orders of the Catholic Church. On visiting a monastery it is pertinent to enquire first of all to which order it belongs: to the Benedictines, say, or the Dominicans or Franciscans. In much the same way an experienced visitor will know

what to expect when he enters a Hashomer Hatsair settlement, or a Kvutsa, or a settlement of the Kibbutz Hameuchad or Hadati. The fundamentals are the same, but there is a slight difference of tone and spirit resulting from a different approach to politics, religion, internal organisation and certain social and economic questions.

15. The task of these federations is not, however, merely to maintain a moral tradition or philosophy of communal life. They do a great deal of practical work for their members. They canalise new immigrants towards existing settlements or assist them financially, technically and morally in the foundation of new ones; they set up economic enterprises for all the communal settlements affiliated to them; they maintain advisory institutions for new and old settlements through which their economic and social experience can be pooled and exchanged; they organise central educational and cultural undertakings common to all affiliated settlements; they represent affiliated settlements before the State and before the various colonising agencies and institutions with a view to securing grants of land, allocation of funds and facilities of every kind. The federations are in touch with youth and pioneering movements at home and abroad and have emissaries and recruiting agents who help to prepare their members for communal and agricultural life. They administer considerable funds which are available either for the permanent common benefit of all members or for that of individual settlements, new or old, which stand in temporary need of assistance. Their support is at present invaluable to settlements ruined in the recent fighting, and without it the foundation of new Kibbutsim could not proceed at its present rhythm.

16. In the following sections the characteristics of each federation are described in more detail.

(e) The United Federation (Hakibbutz Hameuchad)

17. This is the largest. It has defined its own purpose as "the establishment of large communal settlements, open to all, on the basis of both hired and independent labour, of agriculture, handicrafts and industry, of mixed farming, of the ingathering of the exiles of Israel and their integration into one community." It comprises not only agricultural communities

but labour groups of various kinds, which are based on agricultural settlements as their home but are either employed in factories and other undertakings owned by their own Kibbutz or go out as hired labourers to take part in industrial and pioneering enterprises, which they do not themselves control. One result of this system is that large communities are thus enabled to live on relatively small areas of land: only about one-half of their inhabitants are engaged in agriculture. Indeed, the federation encourages the unlimited growth of its affiliated kibbutsim and some of them have a population of 1,000 or more.

18. Though each settlement is an autonomous unit, there is a large measure of co-operation between them—larger than in the case of the other federations. Their central organisation has considerable power to decide to what common enterprises they must contribute man-power and other resources. Until recently the federation had its headquarters at the Ein Harod Kibbutz in the Jezreel Valley, from which the movement originated, but most of its functions have now been transferred to Tel-Aviv. From there a secretariat consisting of officials and committees recruited from various settlements directs the activities of the whole, disposing of considerable funds which have accumulated as the result of regular contributions on a progressive scale levied from the affiliated settlements in proportion to their resources.

19. The United Federation does not require that its members should belong to any particular political party. In a few settlements the moderate labour tendency (Mapai) predominates. However, over 60 per cent. of the federation's total membership are followers of the Left-wing labour groups affiliated to Mapam and particularly of the "Achduth Avoda" (Labour Unity) movement. This proportion has been confirmed by the election of delegates to the federation's last three national conferences (1942, 1946, 1949), of which the most recent took place on 18th-24th October of this year. Youth movements with which this federation has been particularly associated are those called "Dror," "Habonim" and "Hechalutz Hatsair."

20. The Kibbutz Hameuchad numbered seventy-two settlements at the end of September 1949, and during the conference mentioned above it was announced that their total, constantly growing, had reached eighty. Over 30,000 persons are living in

them, but of these only about 15,000 are members. The area farmed now approaches 600,000 dunams (150,000 acres).

(f) The National Federation of Hashomer Hatsair (Hakibbutz Haartsi Hashomer Hatsair)

21. In comparison with Hakibbutz Hameuchad settlements those founded by the Hashomer Hatsair movement are small organic social units enjoying greater autonomy. The average Kibbutz numbers about 150 adult members. (The actual inhabitants may reach 300 or more, but that includes children, parents of members, probationers, &c.) A limit is generally placed on the membership of each settlement and the amount of land farmed is correspondingly limited.

22. The Kibbutz Haartsi federation has its headquarters in the Valley of Jezreel (the "Emek")—at Merhavva, a settlement near Afula, founded as early as 1911. It maintains similar central and local institutions and enterprises, but its affiliated settlements rely more on agriculture for their subsistence.

23. In addition to the size of its units, a characteristic of this federation is its somewhat aggressive preoccupation with Leftist social ideology and politics. The Hashomer Hatsair ("Young Watchman") movement organised and maintained abroad and in Palestine a political party of the same name with a membership broader than that of the Kibbutsim. This party had long published its own daily newspaper and been represented by its own political delegates in all public institutions of the Yishuv in Palestine, in the Labour movement, and in the Zionist movement throughout the world. The Kibbutsim associated with it grew to be the principal base from which the party operated. In January 1948 the Hashomer Hatsair Party merged with two lesser Left-wing labour groups to form the United Workers' Party of Mapam (so called after the initials of its title in Hebrew: Miflegeth Poalim Meuchedeth—M.P.M.). The federation of settlements associated with Hashomer Hatsair is thus to-day the main constituent body of the Mapam Party. Mapam has its followers in other sections of the population and notably in the Kibbutz Meuchad Federation of Communal Settlements (see above) but a distinctive feature of the Kibbutz Haartsi Federation is that all its members and settlements are adherents of

the Mapam Party. It is a political as well as an agricultural and economic organisation.

24. Hakibbutz Haartsi Hashomer Hatsair comprises sixty-four settlements and new ones are being constantly founded by it. Its membership lies between 9,000 and 10,000.

(g) The League of Kvutsoth (Hever Hakvutsoth)

25. For the term "Kvutsa" see (a). The settlements of this group disagreed with the tendencies of the Kibbutz Hameuchad in regard to the size and economic structure which settlements should have and the nature of the organisational bond between them. Like the Hashomer Hatsair settlements they wished to maintain the original ideal of a relatively small and cohesive social group, based on long-standing personal association between its members. But in political complexion they differ from Hashomer Hatsair Kibbutsim, since all their members are moderate Socialists and pay dues to the Mapai Party. The model followed is that of the original Kvutsa of Degania (founded in 1909) on the southern shore of the Sea of Galilee, but the headquarters of the league is now at Hasharon (Ramath David), a settlement founded in 1926. One reason for a slightly different tone in this group of settlements is the fact that they became associated in recent years with two youth movements other than those mentioned in the previous paragraphs. They were "Gordonia," which originated in Poland, and the "Young Maccabi" organisation. It was only on amalgamation with Gordonia in 1934 that the League of Kvutsoth assumed its final organisational form.

26. The Hever Hakvutsoth now comprises forty-four settlements, with a population of about 10,000 persons. Its rate of expansion in the last two years has been less rapid than that of the other federations.

(h) The Religious Federation (Hakibbutz Hadati)

27. This federation is composed of Orthodox Jews associated with the Labour section of the Mizrahi Party. Though their settlements are very similar to others, and particularly to the Kvutsoth, they look to religion more than to Socialist ideology for inspiration. They constitute a recent development and it is as yet uncertain how

influential they will be in the movement. But during the last two years they have, in proportion to their original strength, been founding new settlements at a rate greater than that of any other federation. They now number twenty.

(i) Other Communal Settlements

28. In addition to the above four main groups there are a number of settlements connected with the General Zionists' labour organisation and with the ultra-Orthodox Agudist Association. In the last year three settlements have been founded by the Heruth Party and one by the Fighters (Sternists).

(j) Relative Strength

29. The following figures show the relative strength of the various federations at the end of October 1949 and their rate of growth since 1946:—

	1946	1947	1949
Hakibbutz Hameuchad	47	51	80
Hakibbutz Haartsi ...	39	44	64
Hever Hakvutsoth ...	33	38	44
Hakibbutz Hadati ...	10	12	20
Various ...	7	7	16
Total ...	136	152	224

(k) Standard of Living

30. Life in a Kibbutz can be extremely uncomfortable, especially if it is a recent foundation still in process of development. A member is provided with no more than one room. If he is married he must share it with his wife, and as there is now a housing shortage in communal settlements as in every other corner of Israel, if he is a junior and unmarried he may have to share it with someone else. The settlement generally consists of a series of bungalows, each with several such rooms. Only a few of a more recent type include washing and sanitary facilities: as a rule one has to walk quite long distances to communal wash-houses and lavatories. Meals are taken in a communal dining-room with backless benches and uncovered tables. Food is plentiful and wholesome, consisting largely of vegetables and farm produce, but badly cooked and very roughly served. The material surroundings largely resemble those of a military camp: hutments, common-rooms and latrines in which one would willingly put up with discomfort in wartime but would be loth to spend the whole of one's life. The members are provided with a minimum of clothing, bedding and

other necessities. Washing is roughly done in communal laundries. In the early days of the movement some settlements insisted on preventing individual members from acquiring personal possessions which might raise their standard of comfort above those of their fellows: a radio set, a fountain-pen, an electric iron and so on. This strictness has now been relaxed in many settlements but members remain without personal resources, dependent on outside gifts or the goodwill of the Kibbutz authorities. Smoking is not encouraged, but smokers are provided with limited supplies of tobacco. Most settlements have a doctor, a dentist and a dispensary, so that health requirements are fairly well satisfied: serious cases are sent to hospital. About one week's holiday is granted every year. Members are provided with a small sum of money to pay for this holiday and cover all other minor personal expenses. But in most settlements it is under £1 10s. a year and may be much less. For all other needs they must apply to the appropriate committee of their settlement.

31. Physical discomfort is offset to some extent, especially in long-established settlements, by amenities enjoyed in common: a reading room and library, a theatre (at least one Kibbutz has a full orchestra of its own), opportunities for study and discussion, dancing and sports. But on the whole it is a rough life, which only persons with an appropriate outlook can stomach. Pioneering enthusiasm will carry younger people through the critical period of hardship while a new settlement is struggling to establish itself, but as the years go by and they enter middle age with the realisation that they have little hope of ever attaining to a greater standard of personal comfort, the hankering for a proper home, more privacy and greater freedom often becomes an obsession. In every settlement one hears stories of members who have failed to "stick it out" and gone away, or of persons who have stayed for many years and shared the life but always refused to take the final plunge by assuming the full obligations of membership.

(l) Ideological Outlook

32. As a rule, less than half the inhabitants of a communal settlement are full members of its community: the remainder are too young or too old to be admitted, or they are temporary trainees and employees, relations of members,

workers drafted from other settlements, guests and so on. To appreciate fully the ideals and tendencies of the movement one must contact experienced people of long-standing membership and beware of the outsider and of the still undecided probationer. The movement is at present overflowed with new half-assimilated elements which may end by changing its spirit (see (p)), but the original tradition which its leaders are striving to maintain is still very much alive.

33. The fundamental concept is that of comradeship and equality. The individual is not living for himself but for the community: he earns nothing but the satisfaction of his elementary needs. Superior talent may be rewarded by finding an outlet in work, but it will not enrich him. The whole trend of Kibbutz education is to secure a proper spirit of mutual responsibility. Membership is regarded as a privilege to be carefully guarded and it is claimed that the veterans are good judges and can tell by experience whether a candidate is suitable. The time of probation is usually at least a year, but even after attaining to membership a new recruit is normally kept for several years under the direct control of the community and only entrusted with outside work when it is felt that he is fully imbued with its spirit. What is chiefly expected of him is readiness to serve in any capacity which the community may decide and to hand over to it voluntarily whatever he may produce or earn.

34. Not all members are necessarily agricultural workers. Besides the many other tasks assigned to them in the settlements, some end by making a career outside it. There are even members of the Knesset, prominent artists, civil servants and so on, who are members of a Kibbutz. To it they must hand over their salaries, keeping only what the community considers necessary for their personal expenses. It is for the latter to say whether they are to continue pursuing their professions, as, for example, in the case of men who became officers during the war and now have an offer of establishment in the regular army. Recruits who are not of working-class origin, but have brought with them advanced technical knowledge or have come from cultural and prosperous middle-class families, enjoy no special privilege. A strong spirit of egalitarianism is an essential feature. A veteran member engaged in a distinguished career of public service is

expected, on his occasional visits to his own Kibbutz, to mix freely with its obscurer members like an ordinary comrade and he may even undertake some humble task.

35. Work, and especially physical labour, is treated with a kind of religious approach, as providing the means of rebirth for a rootless and landless nation formerly confined to parasitic pursuits. This is an essential element of Zionism and has found its most typical expression in collective agriculture. The founders of the Kibbutz movement sought in Palestine not only an opportunity to normalise and rehabilitate a humiliated and persecuted race, but also to transform the typical Jewish pedlar and middleman into a productive manual worker, to turn ghetto dwellers into agricultural toilers, to recreate the Jew through close contact with the soil and with nature. This endeavour was inseparably bound up with their ideal of social equality and a new collective order. They take pride in having produced what they rightly feel to be a better type of Jew.

36. In addition to the moral satisfaction which a member is supposed to derive from devotion to the cause of Zionism and socialism, it is claimed that as an individual he is given a sense of security and of interior freedom of which the ordinary worker is deprived. He is secure from all the hazards of life: from fear of unemployment and the economic results of sickness, from anxiety as to the fate of his family, should he die or be disabled, and from the fear of old age. When his daily task is done he is completely free to be himself, relieved of all the normal worries and burdens of life, free from business and household cares, from social obligations and the fears, conventions and jealousies arising from a life of inequality and individual struggle. And though in his work and in all his relations with the rest of the community he is under very strict discipline and indeed hemmed in on all sides by rules and restrictions, he is said to have a greater sense of purpose and of personal self-respect, a feeling of success in life and relief from boredom.

37. Such at least is the theory. In practice it is obvious that not everyone can be satisfied by such a life, so that a certain amount of desertion is going on all the time. This is regarded as a normal and salutary process of elimination and therefore, though defections may be regretted, no attempt is made to create a deterrent by influencing society against the deserter. At the same

time every effort is made to recruit quite young people and to indoctrinate them thoroughly while they are still impressionable. It is not so easy for a middle-aged man to gain admittance, especially if he is married. Children born and bred in the community are regarded as the most hopeful element. Yet they too present a special problem, since they have not experienced, and voluntarily abandoned, any other type of life.

38. Apart from the Orthodox settlements of the Kibbutz Hadati, religion does not play a very prominent part in the life. But it is by no means excluded and appears on the whole to be gaining ground. The Sabbath and the main feasts of the Jewish year are observed as rest days, but without any bigoted sabbatarianism. Settlements do not normally include a synagogue but religious meetings can be held in other buildings. The children receive about the same amount of religious education in their school curriculum as do most of the young generation in Israel. In the early days of the movement there was a certain casualness about marriage, but it is claimed that in this respect the settlements hardly differ to-day from the rest of the population. The fact that man and wife in a Kibbutz are regarded as equals and have an assured future within the settlement for themselves and for their children tends to relieve marriage of certain strains but it also makes separation rather less problematic than in an individualist society founded on private property. Divorce is in any case easy among Jews. Nevertheless the outlook on life is an idealistic and serious one and public opinion is very strong, so that irresponsible conduct in the matter of sex and marriage can scarcely escape the vigilance and opposition of the community. Feeling is definitely opposed to divorce whenever children are involved. The notion, sometimes put forward, that collective upbringing of the children is somehow connected with a recognised system of promiscuous mating among the adults, has no foundation in fact.

(m) Rearing and Education of Children

39. A characteristic feature of Jewish communal settlements, and one which is often criticised as unnatural, is the segregation of the children in separate quarters where they pass all the years between their birth and the age when they can qualify for membership. There are nurseries for infants, and a graduated series of separate

houses where boys and girls of approximately the same age live, eat, sleep and are taught together. Arrangements vary from place to place, but the following is a typical example from a Kibbutz of Hashomer Hatsair: about thirty children from birth to three years in one building, cared for by six day and night nurses; twenty little boys and girls aged four to five in another building equipped with all the requirements of a kindergarten and the corresponding personnel; a third building for children aged six to eight, functioning as a separate elementary school; two more which between them house the remaining age-groups up to fifteen. It is claimed that the division into groups of approximately the same age ensures a more normal development than if children are put with others much older or younger than themselves.

40. Education usually follows the "workers' schools" system, which is one of the four recognised "trends": ideologically it has a labour outlook and it combines ordinary class-lessons and book-work with practical instruction in agricultural and domestic work and handicrafts. Everything is arranged with a view to training the children for membership of the settlement and interesting them in its activities and development. Some schools take in boarders from families outside the movement.

41. The avowed purpose of this segregation from the parents is not to prevent the latter from influencing their children; rather it is presumed that, being voluntary members of a community, they want their children indoctrinated with its ideals and prepared for membership. The purpose is (a) to set both parents free for settlement work, (b) to provide them, at minimum cost, with expert alternative care of their children and (c) to give the children the advantages of life in common during their school years.

42. The segregation from the parents is not at all strict. In the evenings, when work is over, the children go to their parents' quarters and share their hours of leisure. On the Sabbath the visitor to a Kibbutz will find it full of family groups: parents walking, playing and chatting with their children. The system contrives to provide children of school age with some of the advantages of both boarding-school and day-school. Apart from the hours of leisure parents will normally not be in frequent contact with their child. But a

mother who has a sick child or is nursing a baby will be a regular visitor to the children's quarters, and a father passing by them in the course of his work will not hesitate to pay a short visit to his child provided in so doing he is not disturbing a class. In some settlements, notably Degania and Ein Harod, the children sleep with their parents and are left in the children's quarters only during the working day.

43. The upbringing of their new generation is regarded by these communities as having priority over all other tasks, and the means which they have provided for it is, in their eyes, the best. Very poor people, leading a life of hard work and discomfort, are enabled by it to ensure that their children are reared and educated with exceptional care. On the other hand the system inevitably creates a relationship between the two generations which is abnormal at least in the sense that it has no exact counterpart elsewhere. It presupposes that both parents and children are happily adjusted to the communal outlook—and that is not always the case.

(n) Relation to Communism

44. As communism aims at introducing a system of communal life and only differs essentially from socialism by its choice of undemocratic methods, it is natural to enquire whether these socialist settlements—full of people who not only talk socialism but actually practise it—are not leading the country, consciously or unconsciously, towards communism. Left-wing socialism of the Mapam type has proved itself in so many cases to be an instrument and dupe of Communist intrigue that this danger can certainly not be dismissed. But there are certain factors which serve as a corrective in the case of the communal settlements of Israel.

45. The ideology inspiring the movement is not only socialist, it is also Zionist. Those engaged in it regard themselves as leading a life of dedication to a national cause. They are, they feel, not merely providing for their own subsistence by the practice of communal life: they are also reclaiming and colonising the land of their fathers in the name of the Jewish people, and making considerable personal sacrifices in order to do it effectively. They are sensitive to anything which seems to them indicative of failure to appreciate how much they have done and are doing as pioneers of Israel. They are also very

conscious of having made a considerable contribution to the war effort, both by defending their own settlements with skill and heroism against great odds and by providing handy recruits for the army. All this tends at times to foster among them a certain bitterness or truculence, but it does provide a safeguard against Communist influence. These people are out-and-out Zionists and intensely nationalistic—two things incompatible with communism.

46. That their social outlook is somewhat akin to communism is obvious. Not that conditions in their settlements really approximate to the realities of life in a Soviet Kolchoz, or that their highly developed democratic spirit could tolerate the shams of Russian "democracy"; but there is sufficient superficial resemblance and ignorance of the real facts to create among them a vague current of sympathy for Russia and her social experiments. On the other hand the colonies of the Hashomer Hatsair Federation, which is the most prone to Soviet sympathies, are also imbued with such an exclusive spirit of party discipline, that attempts at Communist infiltration have proved a failure. An example was provided in the summer of this year when some thirty members of a Kibbutz at Zikim belonging to that federation announced that they had joined the Communist Party and proposed that the whole community should do likewise. They were summarily expelled but told that there was no objection to their founding a Communist settlement of their own: they were free to be Communists if they wished, but they must not try to undermine the party unity of Kibbutz Zikim by underground manoeuvres. The reaction of Hashomer Hatsair in this case is probably typical. Communist infiltration might perhaps prove possible in some of the most recent foundations, but well-established Kibbutsim have great *esprit de corps* and there is very little in the conduct of individual members that can escape the notice of the community. The members are intensely conscious of their social and political principles and are constantly discussing them. Their preoccupation with the maintenance of their own traditions resembles that of a crack regiment or a religious order.

47. With the mass of the movement, therefore, the danger would seem to be not so much that they might themselves turn Communist as that they might prove some-

what indifferent to the emergence of a strong Communist movement in Israel and liable finally to acquiesce in a Communist régime if it were imposed on the country by other elements of the population. They would probably do nothing for it, but they might not do enough against it. They have already voluntarily renounced many of the principles and personal advantages which normally inspire resistance to communism.

(o) Economic and Financial Basis

48. Agriculture, which is the main occupation, is based on the principle of mixed farming, *i.e.*, a balanced plan which will ensure that failure in one type of crop is normally compensated by greater production in another. More attention is in principle paid to local food requirements, firstly of the settlement itself and secondly of the inhabitants of Israel, than to the possibilities of production for export or speculative profit. Thus all well-established settlements have a herd of cows and a chicken farm and grow fruit and vegetables of various kinds in addition to cereals and green fodder. Sheep-raising, forestry and bee-keeping are common. Special crops include citrus, grapes, bananas, dates, olives, tobacco and eucalyptus. A few settlements have nurseries producing saplings, flowers and vegetable seeds. Others are engaged in special branches of animal husbandry, raising goats, ducks, turkeys, rabbits and the like, or breeding horses and other draught animals. The settlements of the Jordan area have made fish-culture into an extensive industry: two of them own 100 acres of fish-ponds each, with an annual yield of 60 tons of fish. Agricultural produce is generally sold to the "Tnuva" organisation which markets it in the main centres of population, serving not only communal settlements but farmers of every description.

49. Within each settlement there will generally be various installations and workshops supplying the needs of the community. The commonest related to agricultural needs are a dairy, a water-tower or reservoir with its pumping station, a garage for storage and repair of vehicles and agricultural machinery; there may also be a silo, a mill, a fruit-packing plant, a cold-storage plant, a workshop for manufacture of implements. Well-boring has been a frequent occupation necessitating special installations. Domestic

requirements are supplied by laundries, bakeries, kitchens, and workshops engaged in shoe-making, clothes-making, carpentry, metal work, electrical installations and the like. A typical Kibbutz includes skilled workers in a great variety of handicrafts. Cultural requirements are met in some colonies by such things as a printing-press, a book-binding shop, a photographic studio. The great Kibbutz at Ein Harod includes an art centre and a museum.

50. Besides agricultural installations and workshops with a local internal purpose, many settlements have founded industrial enterprises producing commodities for sale on the commercial market. Some have factories and workshops of considerable size with up-to-date technical equipment. Their products include jam and various forms of preserved food, textiles, agricultural machinery and equipment, building materials (cement, tiles, bricks, &c.), iron-work, refrigerators and even musical instruments. At least one settlement works a stone-quarry. The Kibbutz at Afikim possesses the largest ply-wood and packing-case factory in Palestine. It also maintains a large garage in connexion with local passenger and freight transport services organised on a co-operative basis. A considerable number of other settlements play a similar part in the communications system. A few maintain well-appointed guest-houses as a source of income.

51. The foundation of new settlements has usually been financed in the following way:—

- (i) For the first year or two, a few acres of land would be leased to a group of people by the Jewish Agency for purposes of training. During this period the rent would be almost nominal. If there was reclamation work (such as the draining of the swamps in the Emek) to be done before agriculture could commence in the area, the group would carry it out as labourers hired by the Jewish Agency, pooling their wages for their own subsistence needs and perhaps putting away part of them as capital for future use. The process of training, preparation and land reclamation might go on for several years. Meanwhile some members would also hire themselves out for similar purposes to other undertakings: for instance, Kibbutz labour gangs have helped to lay the

pipe-line of the Iraq Petroleum Company and the cables of the Palestine Electric Corporation and have worked in Haifa Port, in the Potash Company's installations, on road construction and in privately-owned orange-groves. The pooled wages accruing from this kind of labour would form an important contribution to the community's finances.

- (ii) When all was ready for the foundation of a proper agricultural unit, farming an area around the original group of dwellings, the land would be put at the disposal of the community by the Keren Kayemeth (National Fund) for a rent amounting to 2 per cent. of its value (assessed on an average regional basis and not necessarily identical with the purchase price). This percentage is the recognised regular rent for rural leases, while 4 per cent. is charged on urban sites. In theory the value of the land can be reassessed, with the rent changing proportionately, but it is extremely rare for this to take place. There is no question of amortisation of the capital value of the land as it is destined in any case to remain the perpetual property of the National Fund, acting as trustees for the Jewish people. On the whole this permanent commitment to pay rent constitutes only a minor item in the budget of any well-established settlement.

- (iii) New settlements have almost invariably started with a loan from the Jewish Agency, normally for twenty years at 4 per cent. The older settlements have already paid off not only the interest but the capital of this initial loan. But they have always proceeded to raise further loans both from the Jewish Agency and from private banks. In fact, borrowed money has never ceased to form the basis of Kibbutz finance. It would be difficult to-day to find even one communal settlement which is free of all debt.

52. It may be asked whether, in that case, communal settlements are sound economic undertakings. In approaching this question, one must take into account the ease with which loans are raised and

the psychological factors at work. Communal settlements are regarded by the money-lending agencies as particularly good clients. Thus Barclays Bank is at present lending them many millions on a five to eight year basis for purchase of cattle and machinery, erection of buildings, &c., quite apart from short-term credits secured on the crops of the current year. No settlement of this kind has as yet ever defaulted on a loan. Should one of them get into difficulties other bodies are ready to step in and save it from bankruptcy. The funds held by the federations have already been mentioned at (d). They amount to about £1,500,000 but are not the only or even the principal source which can be relied on in an emergency. The Agricultural Centre, a labour organisation affiliated to the Histadruth, which looks after the interests of agricultural communities of any sort, including communal settlements, plays an even more important part.

53. For each type of settlement represented on its central committee the Agricultural Centre maintains an "audit union" or team of trained auditors, with whose technical assistance the settlements can submit their accounts in proper order to the Government, to whom they are responsible as registered co-operatives. This enables the Centre to collate and distribute all available information about the economic potentialities of a properly organised communal farm (costing and rentability of each product or branch, balancing of income and expenses, purchase at the most economical prices, &c.), and gives it an intimate knowledge of and far-reaching influence over the settlements. It is thus in a position to guarantee to the Jewish Agency and the private banks that money loaned by them is being properly spent and that further loans can be safely advanced. In practice all negotiations with a view to obtaining such funds pass through the Agricultural Centre, since nobody will normally advance money without taking its advice. The Centre thus has in some respects a greater measure of control over a settlement than the federation to which the latter is affiliated, though it must observe due discretion wherever ideological principles are involved. But its tutelage has good financial results: on the one hand loans for new development are very easy to obtain and on the other the Centre will always see to it that a settlement is tided over temporary setbacks.

54. Besides these negative guarantees against insolvency, communal settlements, as clients, present the banks with positive attractions. Ordinary co-operative villages tend to reach a point of saturation beyond which no development occurs, and thereafter the banks are reluctant to advance them money. But Kibbutsim are always putting forward interesting new projects and have generally been able to show that they have a supply of new labour to carry them out. They are ambitious pioneers who have proved over and over again that it is worth while to finance them.

55. Communal settlements, then, can easily obtain loans. But why do well-established settlements, which have amortised their first debts, continue to borrow from various quarters? The answer is said to lie largely in their psychological outlook. They have an internal momentum which drives them on. The whole atmosphere of life in the Kibbutsim requires that morale should be maintained by continual expansion: their inmates will go on working without personal enrichment if they feel that things around them are being built up or enlarged and that the creative pioneering period is not yet over, even if expansion sometimes takes the form of merely helping younger settlements to start. Were they to settle down as institutions free of debt and living quietly on the sound basis of their own resources communal settlements might be tempted to cease being communal and change into successful and comfortable individualist communities. That has never yet happened, but the movement is still young. A crisis of this kind may perhaps occur in some of the older colonies ten or twenty years hence, but only if and when it is felt that the pioneering era is over. Meanwhile it is deliberately prolonged, even at the cost of financial indebtedness.

56. It would thus appear, paradoxically, that the Kibbutsim finances are being carefully and successfully directed, but that the main trend and result is to ensure that by careful treatment of loans they are enabled to *continue borrowing*. In themselves, they would seem to be as capable as any other form of agricultural or industrial undertaking of marketing their goods at a profit and covering their expenses; that is, in so far as such undertakings are a paying proposition at all in Israel, communal settlements are capable of competing at them with their neighbours and in fact are able to run their business on a more economical

basis since they sacrifice the individual to the community. But their internal psychological urge towards continual expansion complicates the issue.

57. It is still further complicated by the facts of the present situation in Israel. Communal settlements are now being founded in places where an economic return can be expected (if at all) only after many years of investment, irrigation, &c. They are being planted in these areas (the Negev, the almost soilless hill country of Galilee and the Jerusalem corridor) for strategic and national purposes under the inspiration of the Government. In the past they have sometimes gone to such places because land purchase was difficult and the Jewish funds bought land wherever a purchaser could be found. But there is now almost unlimited land available there and Kibbutsim pioneers are being used to settle on it with all possible speed. While waiting for irrigation pipes, for afforestation and the like, these communities have somehow to be kept going. Many of them are regarded as being in the initial stage described in 51 (i) above. Nobody expects them, meanwhile, to be a paying proposition. They have not yet the means for proper agriculture. In some cases it is not even certain that they ever will have it: considerable risks are being taken for political reasons.

58. In so far as they are being used for reclamation, afforestation, &c., these groups are employed by the Keren Kayemeth and sometimes by the Government and paid as hired workers. But apart from that, the work given to them is often similar to the temporary jobs provided for unemployed new immigrants simply to keep them occupied and prevent idleness and disaffection. In this respect, however, they are not typical of the normal economic status and trends of the Kibbutsim. The older settlements are certainly not at present inventing work merely for the purpose of keeping surplus workers from idleness. They have nearly all taken over new lands and many are suffering from lack of workers. Young people, inspired by the pioneering urge, do not much like going to the old-established settlements. Their natural tendency and the policy of the Government is driving them out to new areas, where they found new settlements. The older foundations, far from having to invent jobs, are faced with the problem of whether to hire outside labourers in order to cope with their new commitments.

(p) Future Prospects

59. The preceding paragraphs deal chiefly with the past history of the movement and with the social and economic framework and mental outlook which are typical products of its forty years of experience. But all forms of communal settlement are at present faced with a crisis in their evolution. The foundation of an independent State of Israel, the rapidly changing structure of its population, due to indiscriminate mass immigration, and the emergence of a new generation with a different background to that of the older settlers are all factors which have disturbed the regular organic growth of the movement. There is now almost unlimited land available for settlement and colonisation is proceeding at a rhythm previously unheard of, urged on by Government policy and economic necessity. Though complaints are heard that too few of the new immigrants are keen on land settlement, the real difficulty is not so much the quantity as the quality of those who opt for it. In the old days most recruits had already been trained to a large extent in youth movements abroad; now they are people who cannot speak Hebrew and know little or nothing about the life and work which lies before them. There is not enough time for their careful preparation in agricultural training or in the ideological education which alone can fit them to live as members of communal groups. The result is that the completely new settlements now springing up all over the country are only loosely similar to the older kibbutsim and kvutsoth which have slowly built up a sound tradition by trial and error. Most of them have been helped and launched by older settlements and by the federations described above, but the process has been so rapid and superficial that it is impossible to predict on what lines they will eventually develop.

60. The influence of the State of Israel will in future impinge on the internal life of communal settlements rather more than did that of the Jewish Agency during the mandatory period. In the first place, the State is taking over the financial responsibility for education and is likely to work gradually towards unification of the school system, which is at present split into various "trends." This may cause some tension in the movement, since it lays great stress on the political indoctrination of its children. In the second place, communal settlements are to play a strategic rôle in

frontier areas, where their inmates, both men and women, will receive special military training fitting them to serve as a front line of defence in case of foreign invasion. Thirdly, army conscripts are to spend most of their first year of service as

agricultural trainees and communal settlements will have to assist in teaching them. The consequent relationship to the Ministry of Defence has still to be worked out in detail.

DAVID BALFOUR.

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No. 34

REVIEW OF DEVELOPMENTS IN ISRAEL

Sir K. Helm to Mr. Bevin. (Received 30th December)

Light.

(No. 170. Confidential) Tel Aviv,
Sir, 25th November, 1949.

It is just over six months since this Mission was established. I will therefore try to gather together in this despatch a few general impressions which have been borne in on me during this period.

2. The most outstanding of these continues to be the dynamic force which, as I said in my despatch No. 21 of 24th June, is at work in Israel and which must be reckoned with in any consideration of Middle Eastern affairs. This has to be experienced to be believed and is, I am told, particularly impressive for people coming from neighbouring countries. This remark is not meant to be disparaging to the Arab States. Nor do I suggest that the feature is an entirely agreeable one, the more so as it is accompanied by an air of seriousness and self-righteousness which tends to become exhausting. But the driving force is there, and it is sustained by conviction, confidence and enthusiasm which will not readily recognise defeat. We here are in fact witnesses of an experiment which seems destined to affect greatly the future development of this part of the world.

3. Admittedly the new State will need all the enthusiasm it can find to overcome its difficulties. I dealt with the principal of these, the economic one, in my despatch No. 119 of 10th October and will not enlarge on it here, though mention should be made of the fact that since my arrival workers' wages have been reduced by £1 per week, and that with a minimum of disturbance. Wages of course remain astronomical, but austerity has come to mean something real to the workers (more so perhaps than to many who live on their work and whose profit margins are yielding much more slowly to treatment) and their relatively calm acceptance of the cuts is in

a small way symbolical of the spirit widely prevalent in Israel.

4. Closely connected with the economic difficulty is that of Israel's isolation. The Arab boycott is by no means to her liking. But the Israelis believe that they will wear it down and if only to this extent are sincere in their professed desire for final settlements with their neighbours. To achieve these they will, I believe, be ready to make concessions on points of detail but none on major questions of principle. They will, for instance, stand firmly upon Israel sovereignty for Jewish Jerusalem—even perhaps going so far if the issue is forced as to proclaim Jerusalem the capital of Israel—but they would I think agree to demarcation line adjustments and they have publicly announced their readiness to accept international control of the Holy Places within their boundaries. In particular they might be ready to make considerable concessions to secure a settlement with Jordan not only in an endeavour to break the Arab ring but also because Jordan is the contact which they want most. Meanwhile they take much satisfaction from Turkish *de facto* recognition and the exchange of diplomatic representatives which itself is a considerable advance on the long road towards the acceptance of Israel in the Middle East. With the arrival of the Turkish Minister the Heads of Missions fully accredited to Israel will have risen from the two besides myself in May to nine, with an Australian Minister also in the offing. In addition Israel's voice has been heard on a footing of equality at the United Nations and in a number of international bodies. As a result she feels herself more firmly established in the foreign field even though American support is much more objective than it was.

5. On the home front a factor of great importance but one of which little is heard is the influence of the rabbis. In the Knesset the religious group has only sixteen seats but it holds five portfolios in the present coalition Government. One of the group is also chairman of the Parliamentary Finance Committee. As a result, and although this Government has the reputation of being secular, if not one of agnostics, religious pressure is widely effective. Nowhere is it more so than in educational matters, where the Bible (itself of course Jewish history and literature) reigns supreme and almost alone. Again religious group pressure, probably as much as nationalism, is responsible for the retention of an archaic form of Hebrew which does not meet present day needs. Yet this Hebrew is now almost excluding any other language. So much is this the case that street and direction signs are now only in Hebrew and that even children of British parentage are growing up with no knowledge of English. In more limited spheres religious influence shows itself in the unpopularity in Jewish Jerusalem of any sort of transport on the Sabbath, this being watered down to an absence of public transport in Tel Aviv and transport for everyone in Haifa. Finally, I am reliably informed that it is responsible for the fact that the most modern and expensive hotel in Israel secured its licence only on condition that it remained completely Kosher.

6. It may be that the rabbis are waging a losing battle. If so, there is not much sign of it. Certainly the fundamental issues which they would raise are one of the main factors in the failure so far to enact a Constitution and it is clear that the present Government feels it must placate them. The result is the operation throughout the cultural field of a mentality and an approach which are antagonistic to the modernist professions and methods of the new State. Yet they are now also finding a place in the communal settlements through the establishment of communities under religious auspices. Till now religion has had small place in the kibbutz movement, the backbone of which has been the "sabras" (locally born Israelis) and

trained European immigrants. But now the country is being peopled by immigrants of quite other types, who it may be presumed will be more readily subject to rabbinical influence and who may in time change the whole ethnographical structure of the State.

7. Not only so, but these immigrants by their very nature are contributing to the general lowering of the standard of living which economic necessity is in any case forcing on Israel. And with this I think must go a lowering of other standards. It may be long before the Jew, now master in a country of his own, becomes less materialistic or more personally likable. But I have the impression that the Israeli is less honest and less incorruptible than he seemed six months ago.

8. Yet the beehive is as active as ever and work is certainly being done. In the past month I have been to Dan and to Beersheba and the contrast between November and June is impressive. Throughout the former Arab land tractors (some hundreds of Ferguson tractors are almost due and more would be ordered if sterling were available) are busily at work, new settlements are springing up, and it is clear that agricultural production will be much higher than in 1949.

9. This does not mean that economic viability is just round the corner or that Israel is in sight of overcoming her economic difficulties. But blind enthusiasm, unity of purpose and one track mindedness are at work and will produce results. At the best these cannot be uniformly pleasing to the world in general. But I continue to believe that it is not impossible for Israel to be influenced so that her development can be moulded in such a way that it will be less disturbing to her neighbours than would be the case if she were treated as an outcast and left to her own devices.

10. I am sending copies of this despatch to the British Middle East Office and to His Majesty's representatives at Washington, Moscow, Cairo, Bagdad, Beirut, Damascus, Amman, Jedda and Jerusalem.

I have, &c.

A. K. HELM.